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Daily Report
Central Eurasia

FBIS-SOV-95-155 *11 August 1995*

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CIS Economic Court Seeks To Extend Jurisdiction

MK1008124095 Moscow KOMMERSANT-DAILY in Russian 9 Aug 95 p 2

[Report by Anna Baneva and Konstantin Levin: "CIS Economic Problems. Economic Court and Customs Union Are Inseparable"]

[FBIS Translated Text] During the years of its existence the Commonwealth of Independent States has surrounded itself with numerous executive agencies, most of which function only on paper. With the creation of a customs union, however, controversial foreign-trade issues cannot be resolved without extending the powers of the CIS Economic Court. Viktor Gonchar, the court's general secretary, said, however, that this would not take place before next year and would only be possible if a corresponding decision is made by the CIS summit this fall. For the time being, even the Interstate Economic Committee [IEC], which was set up last year, is only beginning to acquire the right to make decisions binding on all CIS members — and only on day-to-day matters at that.

The CIS Economic Court was set up virtually at the same time the Commonwealth itself was. The agreement on the court's status was signed back on 6 July 1992. It was not until last year, however, that the court actually started operating. The thing is that at first the process of ratifying the multilateral agreement dragged out, and then the founding states of the Economic Court were in no rush to transfer money to its account. Today, as Economic Court General Secretary Viktor Gonchar said, only Russia and Belarus regularly fulfill their financial obligations. As for the other six signatories, it is virtually impossible to obtain money from them. Problems have also arisen in connection with setting up the court's staff at its officially designated residence, Minsk. Not all of the judges' positions have been filled. Only 11 out of the 16 judges already nominated by the signatories to the Economic Court agreement have thus far been sworn in. Uzbekistan and Tajikistan are still not represented in the court. Nonetheless, the organizational stage of the CIS Economic Court's evolution may already be considered complete. First, as Viktor Gonchar said in a conversation with your KOMMERSANT-DAILY correspondent, the Belarusian Government has resolved most problems regarding the court's residence in Minsk. Second, the current lineup of judges is sufficient for them to start hearing cases.

The Economic Court has already considered two claims concerning intergovernmental agreements between Belarus and Kazakhstan, and heard several cases on the interpretation of documents. The case of dividing the Black Sea Fleet ships between Russia and Ukraine is currently under consideration. The CIS Economic Court will not likely be overburdened with work in the near future, however. Neither will the court leadership's further organizational successes mark a change for the better. The reason for that, as General Secretary Viktor Gonchar put it, is "the court's absurdly narrow jurisdiction." Currently the Economic Court is only entitled to consider disputes arising from intergovernmental or interstate agreements. Only a narrow range of entities may institute lawsuits. These are first of all plenipotentiary agencies of the signatory states of the court agreement. The main stumbling block is the nonbinding nature of the court's rulings. Here the CIS's infantile disease of universal unreliability presents itself in full measure.

There is essentially only one way out of the impasse of unfulfilled decisions: to attribute to the CIS Economic Union's key management structures supranational functions, albeit in a fairly limited form. The first to acquire them should be the IEC, regarding which there have long been plans to elevate its status to the supranational level. On the other hand, apart from elevating the status of both the Commonwealth's legislative branch (the councils of the heads of state and chiefs of government plus the Interparliamentary Assembly) and the executive structures (such as the IEC), it is essential to extend the jurisdiction of its judicial branch, the Economic Court. A change in the court's status may have a favorable impact on the functioning of all CIS institutions, because the existence of an authoritative court may become yet another factor of integration within the CIS. The court's authority, however, will depend not so much on the implementation of the plans of the Minsk-based economic judges (who energetically push for the idea of elevating the court's status and extending its jurisdiction) but, rather, on the competence of the judges called upon to resolve, within a legal framework, economic problems that have been addressed — so far unsuccessfully — at the intergovernmental level. First of all, the Economic Court could earn its first dividend by considering the claims that arise in the process of setting up a CIS customs union. In particular, Moscow and Minsk have so far been unable to decide at the intergovernmental level whether or not the Belarusians are breaching the requirement that there be a unified customs tariff with Russia. At any rate, it is better to stop eventual breaches of unified customs rules and standards through public hearings at the Economic Court than in the silence of government offices. The EU Economic Court, for instance, has an important role to play and has earned authority not only among EU member states but also among third countries. This EU agency effectively fulfills the functions of a court of arbitration to resolve controversial issues in trade and economic relations. Requests to check

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on whether or not antidumping procedures have been justly introduced traditionally account for a majority of cases considered by the court. Thus, the operation of the EU economic court essentially demonstrates to the CIS countries how economic disputes, including those in foreign trade, can be resolved without government interference.

ITAR-TASS Carries Press Review for 11 Aug

LD1108055195 Moscow ITAR-TASS in English 0520 GMT 11 Aug 95

["Press Review" — ITAR-TASS headline]

[FBIS Transcribed Text] MOSCOW, August 11 (Itar-Tass) — The IZVESTIYA newspaper opens its today's issue with an article by its international analysts on Moscow's visit by Yugoslav President Slobodan Milosevic. "Since the Croatian leader was absent, the Russian leadership had nothing to do but to repeat its traditional assurances to Milosevic that the Kremlin regards him its main partner on the Balkans".

The Russian president's press secretary Sergey Medvedev told IZVESTIYA that Moscow praised the Serbian leader's flexibility and his readiness to change his own mood and to go for a meeting with Tudjman after the Croatian offensive in Serb Krajina.

"Possessing an outstanding political flair, the Serbian president understands: the plan of the contact group, advantageous for his countrymen in Bosnia on the whole, can be revised any day," IZVESTIYA analysts note. In the light of new strategic realities, it is highly improbable that this revision will play into the hands of Serbs.

"Small doubt that the pressure on Tudjman by Washington and West European countries was the main reason for his sudden refusal to come to Moscow. Westerners were afraid of a Serbian-Croatian 'collusion behind the Kremlin wall', as a result of which the interests of Bosnian Moslems could be infringed upon," IZVESTIYA notes.

Newspapers continue to concentrate on the situation in Chechnya. The ROSSIYSKAYA GAZETA newspaper writes that Dzhokhar Dudayev gave orders to all rebel units at a meeting of field commanders on August 8 to penetrate into Chechen cities and villages and to destroy federal troops". [quote mark as received]

In an interview with the daily, Lieutenant-General Anatoliy Romanov, commander of federal troops in Chechnya, said that "the process of a peaceful settlement is in jeopardy. If combat operations resume, huge losses among peaceful population are inevitable, since rebels, as usual, use women, children and the aged as a human shield".

The army newspaper KRASNAYA ZVEZDA writes in turn that most men and officers from the Russian army group in Chechnya regard with mistrust the results of the last round of talks between the Russian and Chechen delegations. "The more so, since attacks on our posts continue," they say.

Chechens are not unanimous in the appraisal of the talks either. Some part of population regards the results of talks as a victory of Dudayev as well as his followers and is triumphant. The other, including military commissar of the Chechen Republic Ibragim Suleimenov, believes that Russians "should not have sat at the negotiating table with bandits".

The Moscow business community and the press are still agitated by the tragic death of Ivan Kivelidi, former president of the Russian Business Round Table and head of Rosbiznesbank, who was poisoned to death on August 4.

The KOMSOMOLSKAYA PRAVDA newspaper runs a detailed report on Kivelidi's funeral at the Vagankovo Cemetery in Moscow.

In the opinion of Alexey Kovalenko, laboratory head of instrumental analytical methods, the banker might be poisoned with salts of heavy metals only through food and drinks: "many salts of heavy metals have no clearly distinguishable taste, especially mercury salts.

"Incidentally, mercury is a 'popular' poison. Kivelidi as a Greek and could eat national dishes with special grasses and spices, changing the taste and smell of a poison."

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Further on Milosevic Talks on Balkan Situation

Yeltsin Comments on Chechnya

LD1008112095 Moscow Russian Television Network in Russian 1000 GMT 10 Aug 95

[FBIS Translated Text] The first round of talks between the presidents of Russia and Serbia was held in the Kremlin today. Welcoming the guest, Boris Yeltsin said that Yugoslavia is one of the biggest issues facing the world:

[Begin Yeltsin recording] I also think that one of the biggest issues is Yugoslavia. We have in Chechnya — it is not yet actually over, but we have signed the first documents, an agreement on military issues, to halt combat operations. We believe that the most important part is now past. Therefore, we are now living quietly, in peace and contact, with all 20 the federal republics within Russia and we have no problems among ourselves. [end recording] [video shows Yeltsin and Milosevic sitting opposite each other, Yeltsin in closeup shot when speaking]

Russian Foreign Minister Andrey Kozyrev, who held talks with Milosevic earlier in the government villa on the Vorobyev Hills, was also present at the presidents' meeting. Andrey Kozyrev expressed the hope that today's meeting will constitute another step toward the lifting of sanctions against Belgrade and will demonstrate who is really prepared for talks and who is relying on force. For his part, the Serbian head of state stressed that one cannot rely on resolving the Yugoslav problem by force. [Video shows Kozyrev, Milosevic, and delegations on villa steps]

Croat Aggression 'Sharply' Rebuked

LD1008115095 Belgrade TANJUG in English 1114 GMT 10 Aug 95

["Pool" item]

[FBIS Transcribed Text] Moscow, Aug. 10 (TANJUG) — Serbia's President Slobodan Milosevic and Russian Foreign Minister Andrey Kozyrev sharply condemned here Thursday Croatia's latest, brutal aggression on the Republic of Serb Krajina and the ethnic cleansing conducted there by Croatia's forces.

The meeting with Kozyrev, whom Milosevic received in his residence in Moscow, marked the beginning of the Serbian president's official visit to Russia, at the invitation of President Boris Yeltsin.

Milosevic and Kozyrev discussed the current situation in the former Yugoslavia.

They underscored the need for utmost efforts to be made for a peaceful solution to the crisis by all sides, for they said the consequences could otherwise be unforeseeable.

Meets Rybkin; Thanks Duma for Support

AU1008200495 Belgrade RTB Television Network in Serbo-Croatian 1730 GMT 10 Aug 95

[Report by Zoran Jevdjovic from Moscow — recorded]

[FBIS Translated Excerpt] [Jevdjovic] President Milosevic arrived in Moscow late last night where he was welcomed at the airport by Russian First Deputy Foreign Minister Ivan Ivanov. [passage omitted]

President Milosevic met Russian State Duma Chairman Ivan Rybkin in Moscow today. The meeting was held in an atmosphere of emphasized cordiality particularly as Rybkin has so far distinguished himself with a principled support for Yugoslavia and its efforts towards solving the crisis. It was assessed that the reaction to Yugoslav moves that the international community has made so far is unsuitable [neodgovarajuci] and that Russia, like our country, has to be very displeased with that.

Just as it has been doing heretofore, the Russian Duma will concretely support actions and peace moves by Yugoslavia and its just demands for the urgent lifting of sanctions.

[Milosevic] I am convinced that such an approach has been supported by the entire Russian people. I know what the Russian people think and that the Russian people are with us. I thank you for that and I thank the Russian people.

[Jevdjovic] The Croatian aggression against Krajina was also completely condemned, particularly the ruthless violation of human rights which could be seen by the entire world and was condemned by all progressive and objective forces.

[Announcer] After a one-day official visit to Russia at the invitation of President Boris Yeltsin, Serbian President Slobodan Milosevic this evening left Moscow for Belgrade

Thanks 'Understanding' Position

AU1008134495 Belgrade Radio Beograd Network in Serbo-Croatian 1300 GMT 10 Aug 95

["Excerpt" of comments by Serbian President Slobodan Milosevic at talks with Russian President Boris Yeltsin in Moscow on 10 August; recorded; in Serbo-Croatian with passage by passage translation into Russian]

[FBIS Translated Excerpt] [Milosevic] ....the gravity of the crisis on the territory of the one-time Yugoslavia,

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and I believe that the most important thing is that you personally maintain a just stance on the solution. In fact, this just stance means that [word indistinct] will treat all the subjects in the Yugoslav crisis equally. The key to the solution is to have an equal stance toward all (?players) in the Yugoslav crisis, and the key issue is the issue of the sanctions on our country, which are making us unequal and which have been imposed in a manner that is intolerable within the international community; I thank you profusely for understanding our position and for your support regarding the lifting of the sanctions.

I believe that our assessment of the situation is the same, that is, that the Yugoslav crisis cannot be solved militarily, but only through peaceful means. We shall persevere on this course because peace must win, peace is victory. [passage omitted]

Praises Results of Talks With Yeltsin

LD1008120895 Moscow ITAR-TASS World Service in Russian 1116 GMT 10 Aug 95

[By ITAR-TASS correspondent Andrey Shtorkh]

[FBIS Translated Text] Moscow, 10 Aug (ITAR-TASS) — The talks today between Russian President Boris Yeltsin and Serbian President Slobodan Milosevic lasted for about two hours. Ending the dialogue the Serbian president thanked his Russian counterpart "for great understanding of the crisis which is taking place in former Yugoslavia." Slobodan Milosevic stressed that Boris Yeltsin "personally upholds a just position on settling the conflict — a single and fair approach to all the sides of the crisis is needed." In his view, one of the main issues now is "the sanctions which, unjustly imposed on our country contrary to international norms," are causing thousands of people to suffer.

"Evaluating the situation, we are proceeding from the fact that there should be a political and not a military solution, for there simply cannot be a military solution," Slobodan Milosevic went on.

In his turn Boris Yeltsin described the meeting as a very important one, "perhaps historic — the results will tell." He stressed that he is satisfied with the "mutual contact" that has taken shape and added that Russia supports the "FRY's efforts aimed at a peaceful outcome of this war which was started in Yugoslavia not through any fault of yours."

Addressing his counterpart, Boris Yeltsin reiterated: "We support your stand on the sanctions." He stressed that "Russia does not seek any advantages in Yugoslavia from that — Russia wants to live in peace and friendship with Yugoslavia as a neighbor, as has been the case for many centuries."

Following the meeting Boris Yeltsin told journalists that it was "very, very useful, since it is one thing to write letters but quite another to have a face-to-face conversation which makes it possible to get to know each other better." According to the Russian head of state, he received "a firm assurance from Mr. Milosevic that the FRY favors only a peaceful political outcome of the crisis and that it will not help other countries which desire to wage war." Boris Yeltsin noted that Serbia is for "everyone to embark on a peaceful path and Serbs are ready to sit down at the negotiating table."

Boris Yeltsin said that the second and "very important" part of the talks was devoted to the question of world sanctions in force against the FRY. Boris Yeltsin said that Slobodan Milosevic "asked to support Yugoslavia" in this regard. It is in connection with this that the Russian Federation president made his statement which he described as an appeal to the world community.

"At first I was in doubt and then I decided that it would be useful to read it to you and for you to immediately broadcast it around the world," Boris Yeltsin told journalists. "Apart from this appeal to the world community, I also appeal to the leaders of all major powers and separately to the UN Security Council."

Yeltsin Issues Statement

LD1008154595 Moscow Russian Television Network in Russian 1300 GMT 10 Aug 95

[Statement by President Boris Yeltsin to the UN Security Council and other major powers after his meeting with Serbian President Milosevic in Moscow on 10 August; from the "Vesti" news program — recorded]

[FBIS Translated Text] The military actions of the Croatian Army in the Serb-populated regions have pushed the situation in the former Yugoslavia still close to the verge of a big war in the Balkans. Understanding the need for counteracting the logic of forcible action with prompt and resolute steps we came up with an initiative aiming to settle the conflict.

We proposed to arrange a meeting between the Serb and Croatian leaders Slobodan Milosevic and Franjo Tudjman in Moscow. We now have to regret that Croatia went back on its initial positive reaction to this initiative and found itself unprepared for the beginning of direct peaceful dialogue. Evidently some leaders of major powers exerted a certain influence here. An impression is being formed that it is precisely this influence that was exerted upon the Croat leader. We are convinced that the need for durable peace, including the interests of the peoples of Croatia, will soon lead the

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Zagreb leadership to the negotiating table. Our proposal remains effective.

As a result of my dialogue with the President of Serbia we have attained the main thing — Belgrade confirmed its commitment to the political settlement of the entire Yugoslav crisis, the solution of the problem of Bosnia on the basis of the peace plan and an end to armed hostilities everywhere.

I believe the world community must react adequately to the constructive course of the Belgrade leadership. It is necessary to make, at long last, a decision that would pull Yugoslavia from under the burden of sanctions. This would open a path towards the beginning of a process of mutual recognition of the states located on the territory of the former Yugoslavia. I intend to raise firmly a question about the sanctions before the leadership of the Contact Group. Yugoslavia is meeting the requirements needed to lift the sanctions, and any further delay with decision-making on this issue can prompt unilateral steps towards a way out of the regime of sanctions.... [pauses] Have a guess.

I think that, taking into account the obtaining situation, the following actions must be taken:

— The Contact Group and the world community must force Croatia to respect norms of international humanity and the rights of the Serb minority, secure immediate termination of all armed hostilities and avert their spreading to eastern Slavonia, as well as Bosnia;

— take emergency measures to stop the humanitarian catastrophe, ensure the unhampered return of all refugees to their homes, provide guarantees of their safety and free delivery of humanitarian aid, give representatives of the Organisation for Security and Cooperation in Europe and other international organisations access to the monitoring of observance of the rights of the entire population of Croatia in full compliance with international standards. This requirement is fully applicable to all other regions on the territory of the former Yugoslavia that have become battlefields;

— ensure safety of the U.N. peacekeepers. This is imperative;

— secure an end to hostilities on the entire territory of the former Yugoslavia, without which no political decisions can be implemented;

— stop procrastinating in the realisation of the peace agreement proposed by the world community, which is an effective alternative to escalation of forcible actions in Bosnia.

In this connection I renew my proposal for holding a meeting of the heads of state of the world's leading countries with the participation of the leaders of the warring sides — Yugoslavia, Croatia, Bosnia and Herzegovina. Direct dialogue among the three leaders, Slobodan Milosevic, Franjo Tudjman and Alija Izetbegovic could become a major step in this direction which Russia is prepared to organise.

'Satisified' With Talks, Departs

LD1008163295 Moscow ITAR-TASS World Service in Russian 1600 GMT 10 Aug 95

[By ITAR-TASS diplomatic correspondent Andrey Urban]

[FBIS Translated Text] Moscow, 10 Aug (ITAR-TASS) — President of Serbia Slobodan Milosevic is satisfied with his one-day visit to Russia and his talks with the Russian leaders, Danilo Markovic, Yugoslav ambassador in Moscow, told the ITAR-TASS correspondent at the Vnukovo-2 airport where he went to see off the head of the Serbian state who left for Belgrade today.

The Yugoslavian diplomat said the visit was very timely indeed. He noted that Slobodan Milosevic welcomed the initiative that Boris Yeltsin offered during the talks — namely that the lack of reaction from the world community to Belgrade's fulfillment of the UN resolutions is prompting Russia to lift the sanctions against Belgrade unilaterally.

Yeltsin Urges 'Emergency Measures' for Balkans

LD1008115795 Moscow ITAR-TASS in English 1123 GMT 10 Aug 95

[By Andrey Shtorkh]

[FBIS Transcribed Text] Moscow, August 10 (ITAR-TASS) — "The Contact Group and the world community must force Croatia to respect norms of international humanity and the rights of the Serb minority, secure immediate termination of all armed hostilities and avert their spread to eastern Slavonia and Bosnia," Russian President Boris Yeltsin said today.

He made a statement containing a new Russian plan for the peaceful settlement in the former Yugoslavia after his talks with President of Serbia Slobodan Milosevic in the Kremlin today.

Boris Yeltsin proposed "taking emergency measures to stop the humanitarian catastrophe, ensure the unhampered return of all refugees to their homes, provide guarantees of their safety and free delivery of humanitarian aid."

The Russian President thinks it necessary to "give representatives of the Organisation for Security and Cooperation in Europe and other international organisations

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access to monitoring observance of the rights of the entire population of Croatia in full compliance with international standards."

"This requirement is fully applicable to all other regions on the territory of the former Yugoslavia that have become battlefields," the Russian leader said.

Boris Yeltsin also urged "ensuring the safety of the U.N. peacekeepers." The Russian leader demanded that "hostilities be halted on the entire territory of the former Yugoslavia, because no political decisions can be implemented without it."

The Russian President also urged an end to "procrastination in the realisation of the peace agreement proposed by the world community which is an effective alternative to escalation of forcible actions in Bosnia.

To this end Boris Yeltsin reiterated his proposal for holding a meeting of the heads of state of the world's leading countries with the participation of the leaders of the warring sides of Yugoslavia, Croatia, Bosnia-Herzegovina.

According to the Russian leader, "direct dialogue of the three leaders, Slobodan Milosevic, Franjo Tudjman and Alija Izetbegovic could become" a major step in this direction. He said Russia was prepared to organise such a dialogue.

Spokesman: Serb-Croat Meeting Still On Agenda

LD1008114795 Moscow INFORMATSIONNOYE AGENTSTVO EKHO MOSKVY in Russian 1030 GMT 10 Aug 95

[FBIS Translated Text] [No dateline as received] Moscow still considers [a Serb-Croat meeting to be] on the agenda. "We still consider the idea of a Serb-Croat meeting to be on the agenda," said Mikhail Demurin, first deputy director of the Russian Foreign Ministry's information and press department, speaking to the Ekho Moskvy radio station.

The Russian Federation president has already put forward the idea of a trilateral meeting between the leaders of the states of former Yugoslavia, too. Demurin stressed: "This did not happen at the time, but the idea is still there."

"We wanted to talk through the possible parameters of such a meeting at the bilateral meeting in Moscow," Demurin commented. "We wanted to settle the most pressing issues, in order to avoid an escalation of the conflict and avoid a direct military clash between Croatia and Serbia, and to act to counter the growing humanitarian catastrophe. At the same time, it was suggested that the opportunity of holding a trilateral meeting may be decided. Unfortunately, this opportunity was missed because of [Croatian President] Tudjman's stand, but we shall continue to work in that direction."

"It is absurd to say that someone wanted to conclude some sort of separate deal here in Moscow — in full view of the entire world. We have always said that bargaining at the expense of one of the sides in order to settle the conflict in Yugoslavia is inappropriate, and that there cannot be any viable solution without the involvement of all the sides," the Foreign Ministry spokesman stated.

Ministry Regrets Tudjman Decision on Talks

LD1008131395 Moscow INTERFAX in English 1146 GMT 10 Aug 95

[FBIS Transcribed Text] MOSCOW, August 10 (Interfax) — Moscow has learned with regret Croatian President's Franjo Tudjman's decision to reconsider his former intention to come to Moscow for a meeting with Serbia's President Slobodan Milosevic, Mikhail Demurin, a Russian Foreign Ministry official, declared in an interview with Interfax Thursday.

According to Demurin, a note officially confirming that Tudjman will arrive in Moscow came from the Croatian side after noon on Tuesday. "By that time, the agenda, format, and date of the proposed meeting had been suitable for the Croatian leader. Exactly 24 hours later, his position fundamentally changed," Demurin remarked.

As a condition for his arrival in Moscow, Tudjman demanded a more thorough preparation of the meeting and the participation of Bosnia's President Izetbegovic in it.

Envoy Cites Tudjman's Explanations

MM1008143395 Moscow IZVESTIYA in Russian 11 Aug 95 p 1

[Report by Konstantin Eggert and Maksim Yusin: "Boris Yeltsin Has Adjusted His Balkan Initiative, Proposing a Meeting of the Presidents of Serbia, Croatia, and Bosnia"]

[FBIS Translated Text] The peacemaking initiative made by the Russian president, who had counted on bringing the presidents of Serbia and Croatia to the negotiating table, in the event turned into bilateral talks between Boris Yeltsin and Slobodan Milosevic.

Russian President Boris Yeltsin has proposed a meeting at the highest level between the world's leading powers and the three parties to the conflict in former Yugoslavia. He issued a statement warning that a delay

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in lifting sanctions on Federal Yugoslavia could lead to "unilateral steps" by Russia.

The Russian head of state offered Russia's services as mediator in organizing a tripartite meeting between Slobodan Milosevic, Franjo Tudjman, and Alija Izetbegovic. Milosevic's meetings with the Russian head of state, Prime Minister Viktor Chernomyrdin, and Foreign Minister Andrey Kozyrev could in no way influence the situation over Serbian Krajina: Without Franjo Tudjman's participation, talks on this subject were pointless.

In the absence of the Croatian leader the Russian leadership could only repeat to Milosevic the traditional assurances that he is the one the Kremlin regards as its main partner in the Balkans. Sergey Medvedev, press secretary to the Russian president, told IZVESTIYA that Moscow valued highly the Serbian leader's flexibility and his readiness to go against his own inclinations and go to a meeting with Tudjman after the Croatian offensive in Serbian Krajina.

When he left Belgrade, Milosevic left behind a domestic political atmosphere that is growing hotter every day.

The president of Serbia, who has exceptional political flair, realizes that the Contact Group plan, which is generally favorable to his compatriots in Bosnia, could undergo revisions from day to day. In the light of the new strategic realities, any amendments to it are unlikely to play into the Serbs' hands.

An American delegation headed by the president's National Security Adviser Anthony Lake has flown to Europe. According to THE WASHINGTON POST, the United States has drawn up a new plan which gives the Bosnian Serbs the opportunity to form a confederation with Serbia, and the Muslims and Croats with Croatia.

There can be no doubt that the main reason for Tudjman's sudden refusal to come to Moscow was the pressure put on him by Washington and the West European capitals. They were afraid of a Serbian-Croatian "deal behind the Kremlin wall," as a result of which the Bosnian Muslims' interests would be harmed. Furthermore, Russia's partners in the Contact Group did not like Russia's wanting to act alone. Apparently Tudjman made the final decision not to go to the talks with Milosevic on 8 August at a meeting with Bosnian Muslim leader Alija Izetbegovic at which the U.S., German, and Turkish ambassadors were also present.

The Croatian president's press secretary's observations concerning the lack of an official invitation from Moscow, which was supposedly one reason for the cancellation of the visit, can hardly be taken seriously. Nor can the assertions that the Zagreb leader had not consented to fly to the Russian capital. That story was refuted by none other than Tudjman himself, who told Russian Ambassador Leonid Kerestedzhiyants: "I withdraw my consent to go to Moscow."

These words allow us to form an unequivocal conclusion on the existence of both the preliminary consent and, naturally, the official invitation. According to Kerestedzhiyants, he personally conveyed the invitation to Tudjman's chief of staff. At noon on 9 August the ambassador called on the president for an audience and handed him another message proposing the schedule for the visit and the time and place of talks.

Having read the document, Tudjman stated that he had three reasons for refusing Yeltsin's invitation. First, the draft UN Security Council resolution on events in Krajina proposed by Russia is not objective and is directed against Croatia. Second, the Yugoslav Army is drawing up armored vehicles toward the Croatian border, which can be assessed as preparations for aggression. (To these words, the ambassador objected that that was precisely why he should fly to Moscow and try to lessen the tension through talks with Milosevic).

And finally, the third reason: The Croatian president believes that questions of a peaceful resolution of the crisis in the Balkans cannot be discussed without Bosnian leader Alija Izetbegovic. (Clarifying Russia's position, Kerestedzhiyants said that the idea of holding a Serbian-Croatian meeting in Moscow was prompted by events in Krajina which concern the two sides. That was why Yeltsin sent invitations to Tudjman and Milosevic, but that by no means rules out the involvement of Izetbegovic in the talks at subsequent stages, when paths toward a settlement in the Balkans are discussed in the broader plane).

"You must realize, Mr. President, what reaction your refusal will prompt in Moscow and what an opportunity to prevent an escalation of the crisis you are missing," the Russian ambassador said, taking his leave of Tudjman.

Answering a question from IZVESTIYA on the situation in Eastern Slavonia, Kerestedzhiyants categorically refuted reports on Russian Television First Channel, based on information from the Yugoslav agency TANJUG, of a Croatian offensive that had supposedly taken place in that region but was rebuffed by the Serbs: "ITA news is practicing deliberate disinformation of the Russian public and whipping up a mood of panic. This is not the first time we have come up against unscrupulous propaganda which in effect incites armed conflict between Croatia and Yugoslavia. I am in constant contact with the command of the Russian peacekeeping battalion and the chief of staff of the UN forces eastern sector.

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I can state entirely authoritatively: There have been no attacks on eastern Slavonia in recent days."

Zagreb Reacts to Yeltsin's Fresh Proposals

LD1008190595 Moscow ITAR-TASS in English 1828 GMT 10 Aug 95

[By Andrey Naryshkin]

[FBIS Transcribed Text] ZAGREB, August 10 (Itar-Tass) — The President of Croatia will probably take part in the meeting on the settlement in the former Yugoslavia based on a new formula proposed by Boris Yeltsin, "in case it will be well prepared."

Zagreb would also like to clarify whether is should regard the Thursday statement by the Russian President as a formal invitation to the talks, or Moscow will send a personal address to Franjo Tudjman, informed political sources in Zagreb told Itar-Tass.

Russian ambassador to Zagreb Leonid Kerestedzhiyants on Thursday met with Croatian Deputy Foreign Minister Ivo Sanader. He informed the Croatian minister of the contents of Russia's fresh diplomatic package and made it clear that Moscow has in a certain degree taken into consideration the motives that prevented Tudjman from participating in the talks according to their initial pattern.

It is not ruled out that Kerestedzhiyants will have to hold consultations in this connection on a higher level.

At the same time, the recent developments demonstrated that it is not up to the Croatian capital to decide whether there will be a new meeting.

Izetbegovic Invitation To Attend Talks Not Ruled Out

LD1008191195 Moscow INTERFAX in English 1640 GMT 10 Aug 95

[FBIS Transcribed Text] MOSCOW, Aug 10 (Interfax) — The idea of a meeting between Presidents of Serbia and Croatia Slobodan Milosevic and Franjo Tudjman followed by a possible involvement of Bosnian President Alija Izetbegovic remains high on the agenda, Russia's Foreign Ministry representative Mikhail Demurin told a news briefing in Moscow on Thursday.

At the same time, he said it was up to Russian President Boris Yeltsin to make a renewed proposal.

Demurin said Yeltsin would keep in mind the reaction to his first proposal and the outcome of talks with Milosevic while reaffirming his initiative.

He said Yeltsin's initiative was prompted by Moscow's understanding of the need to respond to the newly-emerging situation in the wake of Croatia's latest advance which might affect the prospects of an overall settlement in what used to be Yugoslavia.

In his words, by its offer of talks between the Serb and Croat leaders, Moscow aimed to prevent the escalation of fighting or any head-on confrontation between Croatia and Serbia which are now on the verge of such a stand off.

Demurin made it clear that it was implied the question of Izetbegovic's possible involvement would also come on the agenda of the Milosevic-Tudjman talks.

He denied suggestions of a possible ploy behind Bosnia's back. Demurin said Moscow had always warned against any action that would be damaging to one of the warring sides.

Nor does Russia accept the idea saying muscle-flexing by one side can pave the way for a peaceful settlement, Demurin said.

He said if this argument was true, there was no reason why the other side should be denied the same right which would be disastrous in the end.

He also said that the United Nations must show an unbiased approach to any violation of international humanitarian laws no matter where it comes from. Demurin called on the UN Security Council for an evenhanded reaction to such violations by averting double standards.

Rybkin Favors Unilateral Lifting of FRY Sanctions

LD1008181495 Moscow INTERFAX in English 1640 GMT 10 Aug 95

[FBIS Transcribed Text] MOSCOW, Aug 10 (Interfax) — The Russian State Duma supports Russian President Boris Yeltsin's stand that the conflict in former Yugoslavia cannot be resolved by force, Duma speaker Ivan Rybkin told Interfax Thursday after a meeting with Serbian President Slobodan Milosevic.

Rybkin is convinced that if the Contact Group plan is not carried out, Russia will unilaterally lift sanctions against Yugoslavia.

The State Duma is ready to do it, he said, it expressed this point of view before and, if necessary, "will express it not only in the form of a statement but in the form of a law as well."

"Support for President Milosevic and for his sensible approach will demonstrate the uselessness and the danger of the extremists' and nationalists' approach," said Rybkin. He said that Milosevic gave an "impression of a person convinced that he is right."

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The speaker said that the Serbian army "is the third strongest army in Europe" and that one must not put it to the test.

Rybkin said he regretted Croatian President Franjo Tudjman's refusal to come to Moscow for talks and stressed that Moscow "wants to help resolve the conflict in fraternal Yugoslavia and put an end to the civil war."

After visiting the State Duma, the Serbian president said he was completely satisfied with his visit to Russia.

"I have seen that both the president of Russia and State Duma deputies fully understand the situation in the former Yugoslavia. They not only understand but also support the peaceful policy of the Yugoslav Republic," he said.

Milosevic expressed confidence that the peaceful policy of Yugoslavia will eventually get the upper hand "and all peoples of the former Yugoslavia will feel the effects of this peaceful policy."

Yeltsin Instructs Delivery of Aid to Serbia

LD1108100095 Moscow ITAR-TASS in English 0949 GMT 11 Aug 95

[FBIS Transcribed Text] MOSCOW, August 11 (Itar-Tass) — On instruction from President Boris Yeltsin the Government of the Russian Federation has decided to provide humanitarian aid to Serbia, a reliable source told Itar-Tass.

Instructions have already been given to the ministries of foreign affairs and emergency situations, the source said.

According to the same source, work is under way to determine ways and means of delivery of the humanitarian aid. It is expected that both air and land transportation will be used, the source said.

Convoys Transport Aid to Refugees

LD1008181295 Moscow ITAR-TASS in English 1735 GMT 10 Aug 95

[By Ivan Ivanov]

[FBIS Transcribed Text] BELGRADE August 10 (Itar-Tass) — Russian auto convoys have transported some 200 tonnes of international humanitarian aid for refugees from Serb Krajina.

Another, fourth convoy of nine KamAz trucks arrived to the Bosnian town of Banja Luka today with 60 tonnes of food, drugs, commodities and baby food, Itar-Tass was told by Mikhail Dzhibov, head of the transport division of the Russian Ministry for Emergency Situations.

The division, which is under auspices of the U.N. High Commissioner for Refugees, regularly transports humanitarian aid to Bosnia-Herzegovina.

Dzhibov said Russian humanitarian convoys first reached the Serb population two and a half years ago, while previously it brought the aid to the Moslem enclaves of Zepa, Srebrenica and Gorazde.

Belgrade-based Russian drivers in an interview with Itar-Tass sounded chagrin that they had to transport international aid to Bosnia, while Russia had not so far offered it to 200,000 Bosnian Serbs who were driven disposessed from their homes by the Croatian strikes.

The highway linking Banja Luka with the border with the former Yugoslavia is now jammed with a slow flood of cars, tractors and walking refugees heading eastward.

With the flood on the road, it takes the Russian convoys ten to 12 hours to work through a 480-kilometre stretch.

Russian drivers say many refugees going in cars are out of fuel and food.

Reports to Belgrade say more than 20 refugees from Krajina, including six breast-fed infants, died on the road during the past three days.

Daily Assesses Prospects for Peace in Balkans

MM1008100695 Moscow KRASNAYA ZVEZDA in Russian 10 Aug 95 p 3

[Article by Aleksandr Znamenskiy: "The 'Storm' in Croatia Abates. But Peace in the Balkans Has Not Yet Been Achieved"]

[FBIS Translated Text] The offensive Operation Storm, launched by Croatian Government troops 4 August against the Krajina Serbs, who in 1991 proclaimed the Republic of Serb Krajina, which no one has ever recognized, is over. Serb Krajina has ceased to exist as a state formation.

Zagreb has announced the completion of Operation Storm, but the war is actually continuing. Croatian troops have started being transferred to Eastern Slavonia, where Serbs also live. Meanwhile, even in West Europe, where purposeful anti-Serb propaganda has been conducted for several years now, representatives of a number of European governments have condemned Croatia's actions and urged it to ensure that human rights are observed in captured Serb areas. Thus, British Defense Secretary Michael Portillo, speaking on BBC Radio, called actions which lead to the displacement of hundreds of thousands of people and the killing of thousands of others "a means of advancing toward a peace settlement that is unacceptable from the viewpoint of

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the civilized world." "The whole international community must make efforts to halt the armed actions which Croatia has undertaken in respect of Serb Krajina. Otherwise the conflict could embrace the entire Balkans and then spread to other countries on the continent," Spanish Foreign Minister Javier Solana declared. "Croatia," Klaus Kinkel, FRG federal minister of foreign affairs, emphasized, "must give guarantees that the rights of the Serb minority in the regions of Serb Krajina will be observed." Of course — let us add for our own part — if the Serbs go on living there.

There are grounds to doubt this. Thus, to date over 60 Serb villages in another part of Croatia — Western Slavonia, which was "liberated" by Croatian troops in May — have already been destroyed and "cleansed" of indigenous inhabitants. Until recently the Croats did not allow representatives of the European Union, the International Red Cross, or the UNHCR into captured Serb cities. According to UN observers blockaded in the city of Skucane, there were mass executions of civilians in the city, and their bodies were burned. UN observers confirmed that the Croats drove 15 busloads of Serbs out of the city of Pakrac. Their fate is still unknown.... According to available data, over 4,000 Serbs have already been killed in Western Slavonia.

Local observers report that Croatian soldiers are still behaving like goons in captured Serb cities and settlements, carrying out ethnic cleansing, looting, and taking hostages. Approximately 180,000 Krajina Serbs have been made homeless in the course of the offensive Croatian operation. The flow into neighboring Bosnia is the biggest in the four years of armed conflicts in the former Yugoslavia. Between 150,000 and 200,000 people are now seeking a safe refuge. A direct threat has also arisen to the lives of the UN "blue helmets," who include Russians.

There is a simple explanation for Zagreb's "boldness." If we abandon diplomatic wording, Washington in point of fact openly connives at the Croatian military action against the Serb population of Krajina. Its military instructors are giving practical assistance in planning and carrying out operations. Secret deliveries of clothing and weapons to the Croatian side via third countries and involving a private U.S. firm of consultants have reportedly been made with the consent of President Clinton's administration. The matter went so far that U.S. military aircraft made a strike on Serb radar installations at the start of the aggression against Krajina.

Some politicians in Washington now maintain that the military capture of Krajina could have positive significance and even accelerate the negotiating process. This is possible. But in reality the calls to Zagreb to cease combat operations and take the path of political solutions are going unanswered. The search for a peace settlement not only in Croatia but also in neighboring Bosnia is in jeopardy. The prospect of unchecked military escalation with unpredictable consequences is becoming increasingly real.

In the present conditions the UN Security Council has not worked out any specific recommendations, apart from general appeals to observe human rights. Certain Western powers are also temporizing. In this connection Russian President Boris Yeltsin's proposal to organize a trilateral Russian-Serb-Croat top-level meeting in Moscow has elicited a positive response in the former Yugoslavia and in the world as a whole. In the Kremlin the leaders of these states could discuss the prospects for concluding an agreement on an all-embracing cessation of combat operations. It is down to their determination and their will for peace.

Commentator Calls Moscow Policy in Balkans 'Inept'

MK0908102695 Moscow MOSKOVSKAYA PRAVDA in Russian 9 Aug 95 p 9

[Article by MOYA GAZETA supplement chief editor Andranik Migranyan: "War in Balkans and Russia"]

[FBIS Translated Text] The large-scale war unleashed by Croatia against the Krajina Serbs and the capture of the Serb Krajina capital of Knin are a logical outcome of the West's policy and especially of the United States' policy aimed at pacifying the Serbs on the territory of the former Yugoslavia.

At the same time, these events attest to a perceptible defeat for Russian foreign policy in that region. Taking such a risky step, the Croat authorities were confident they were risking nothing if they invaded the security zones controlled by UN blue helmets. Once again it has become obvious that NATO air strikes against the armed forces carrying out military operations in the security zones is the exclusive privilege of the Serbs on the entire territory of former Yugoslavia. [sentence as published]

Western countries may feel satisfied with both the course of military operations tending to benefit the Croat side and the results of the diplomatic battles in the UN and the Security Council. Given the clear unwillingness of NATO countries to take any sanctions against Croatia, which has unleashed a wide-scale war, the Security Council limited itself to exhortations and calls upon the Croat side to stop fighting and pull the troops back to the initial positions.

Croatia would have hardly ventured an aggression against the Serb Krajina in violation of Security Council

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resolutions had it not been for the consistent anti-Serb policy of NATO countries, and especially of the United States, which found its expression in recent months both in the decision of the U.S. Senate and the House on lifting the embargo on arms deliveries to the Bosnian Muslims, and in the deployment in the region of NATO rapid reaction forces.

The failure of Russian foreign policy in the region is becoming even more obvious against this backdrop. The Russian foreign policy department has failed in both preventing Croat aggression against Knin and in securing the lifting of the Security Council's sanctions against Belgrade.

These failures are due to three major errors of the Russian Federation Foreign Ministry made since 1992, which as a result have weakened Russia's role in the region as a key participant in the process of stabilizing the situation in the Balkans as a whole and in the former Yugoslavia in particular. First, Russia voted in the Security Council for sanctions against Belgrade; then it agreed, together with Western countries, to give the Secretary General a Security Council mandate to use NATO forces in the region, thereby widening the "zone of responsibility" of this military organization; and finally, it abstained in voting in the Security Council on the deployment of rapid reaction forces on the territory of the former Yugoslavia.

Thus, by never using its right of veto, Russia was weakening its position as a factor of political influence with every decision made by the Security Council, thereby weakening the positions of its strategic partners in the region. No wonder the Croats and our Western partners so disregard statements by the Russian Foreign Ministry denouncing the Croat side's actions. It has to be stated with regret that Russia has lost serious levers of influence in the former Yugoslavia largely through the inept policy of the Russian Federation Foreign Ministry in the Balkans, and it is being increasingly ousted from the zone of its traditional historical interests.

TASS: U.S. Wants 'Anti-Bosnian Serb' Resolution

LD1008211295 Moscow ITAR-TASS in English 2032 GMT 10 Aug 95

[By Boris Sotnikov]

[FBIS Transcribed Text] UNITED NATIONS August 10 (Itar-Tass) — A demarche of the United States at the United Nations Security Council today was met here as unrefutable evidence of anti-Bosnian Serb activity of the Central Intelligence Agency (CIA).

The United States' envoy to the Security Council Madeleine Albright displayed at closed-doors consultations aerial survey images which the CIA alleges show mass graves near the Moslem enclave of Srebrenica which was recently seized by Bosnian Serbs.

Asked by reporters whether CIA reconnaissance also covered Croats and Bosnian Serbs, who did mass shootings in Serb Krajina, Albright advised media to go and ask the CIA about that.

Quoting intelligence information of U.S. secret services to push a wanted resolution through is no fresh tackle in the American diplomacy.

It was recently used by Washington to keep tough sanctions against Iraq in place.

This time the U.S. wants a resolution on Srebrenica which Albright said is required for further determined actions against the Serbs.

U.S. Officer Detained Near Nuclear Plant Heads Home

LD1108093895 Moscow ITAR-TASS in English 0842 GMT 11 Aug 95

[By Yuriy Khots]

[FBIS Transcribed Text] KRASNOYARSK, August 11 (Itar-Tass) — A US officer detained and released by Russian security near the Siberian nuclear centre of Krasnoyarsk-26, left the region voluntarily on Friday, spokesman for the regional Federal Security Service department told Itar-Tass.

Jason Lynch from the US Military Academy, was taken on August 3 while conducting unauthorised work near the nuclear centres. He was using a special geodesic instrument.

The American, a member of an international expedition monitoring the ecological situation in the region, was released after a few hours in detention.

The US embassy in Moscow confirmed that Lynch was to arrive in Moscow today and will leave for home on Saturday. An embassy representative told Itar-Tass that the departure of the American is connected strictly with the termination of his ecological mission in which he took part jointly with his Russian colleagues.

The representative cited Lynch as saying by telephone that he had not had any problems during his stay in Siberia and was bewildered over media interest in him.

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Moscow Using Pakistani Help To Free Crew of Plane

LD0908210595 Moscow INTERFAX in English 1841 GMT 9 Aug 95

[FBIS Transcribed Text] MOSCOW, Aug 9 (Interfax) — Russia counts on Pakistan's help for freeing seven members of the crew of the Il-76 plane and returning the aircraft which the Afghan opposition Taleban unit made land near Kandahar on August 3, a high-ranking Russian diplomat told Interfax in Moscow today.

He said the plane, belonging to the Aerostan private company (Tatarstan, Russia), was leased by a firm in Shahrj (United Arab Emirates). In its turn, this firm had leased the plane to the Afghan authorities. The plane with a cargo for the Afghan authorities was flying from Tirana (Albania) to Kabul through Shahrj. The Afghan opposition's unit forced the plane to land near Kandahar.

"Taking into account that the Russian Embassy in Kabul stopped functioning long ago and the General Consulate in Mazar-i-Sharif is far from Kandahar, we decided to act through our representatives in Islamabad," the diplomat said.

"We will also use other channels for influencing the Afghan opposition," the same source said.

The diplomat said Moscow would refrain from making a lot of noise around this incident in as it seeks to settle the matter through quiet diplomatic methods.

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Political Issues

Interior Minister Comments on Chechen Agreement

LD1008164895 Moscow ITAR-TASS in English 1614 GMT 10 Aug 95

[By Nikolay Styazhkin]

[FBIS Transcribed Text] STAVROPOL, August 10 (ITAR-TASS) — Russia's Interior Minister Anatoliy Kulikov said on Thursday [10 August] that the agreement on the package of military issues in Chechnya has political opponents, who tried to delay its conclusion at least until the Russian parliamentary and presidential elections.

Speaking at a news conference in the course of his three-day trip to Stavropol territory, Kulikov said that this is a very convenient form of political confrontation, permitting to claim in the future: "See, these authorities are incapable of terminating the war."

He expressed the conviction that by concluding the agreement, Russia has demonstrated to the whole world its will and ability to preserve its territorial integrity both by military means and by way of reasonable compromise.

The minister said that the agreement has strengthened the authority of the Russian President and Government among the population. It opened up a genuine route to full termination of bloodshed, to final disarmament of illegal formations, establishment of legal power in the Chechen republic by peaceful means.

Kulikov stressed at the same time that presently, the situation in Chechnya remains complicated. The military-technical successes of the federal troops are not being sufficiently supported by the efforts of politicians. A plenipotentiary representative of the Russian President in Chechnya, as a guarantor of implementation of the agreement on military issues, has not been appointed yet, while each new day in the absence of such representative influences the state of things not in the best way.

In Kulikov's opinion, the Chechen Government of National Revival, the Committee for National Accord are doing their best to stabilise the situation, but obviously fail to keep up with the developments. It is necessary to actively explain to the Chechen population the essence and purpose of the concluded agreement. In this sense, the opposite side acts more consistently.

The minister expressed regret over the fact that a number of provisions of the agreement remain unfulfilled up to this day: the opposite side has so far failed to present a full list of illegally detained persons, although it received such lists from the Russian delegation.

Kulikov is convinced that the protracting of presentation of the full list of Russian citizens detained by the Chechens is connected with the lack of accord among Dudayev supporters, the ambiguity of attitudes of field commanders towards the position and actions of Aslan Maskhadov and Usman Imayev, who head the Chechen delegation at the talks.

Besides, the minister believes that the illegally detained Russians are kept separately, in remote corners of Chechnya, by separately operating groups of rebels.

Kulikov said that the Russian side overtly stated that until all conditions of the agreement on the package of military issues are fulfilled, Russia considers itself free from its obligations.

Kulikov Reshuffles Internal Affairs Ministry

MK1008105095 Moscow MOSKOVSKIY KOMSOMOLETS in Russian 10 Aug 95 p 1

[Report by Yuriy Zaynashev: "Gangsters Have a Holiday. General Kulikov Takes on His Deputies"]

[FBIS Translated Text] All Russian militia officers have once again stopped catching mice and paused to mull what may happen to them next. Three key deputy internal affairs ministers are resigning, something that is bound to echo in every Russian police station.

The whole Internal Affairs Ministry staff has been discussing the dismissal of Generals Yegorov, Abramov, and Strashko for the third day now. Colonel General Mikhail Yegorov, first deputy minister, was in charge of criminal militia; that is, he directly commanded the fight against organized crime. Another first deputy, Colonel General Yevgeniy Abramov, headed the Internal Affairs Ministry Staff; that is, he was responsible for the internal organization of the ministry's entire hierarchical structure in the country. They both have tendered their requests for separation, and for the time being they are taking one-month and 10-day vacations respectively.

According to frequent reports from the Internal Affairs Ministry, yet another deputy minister, Vladimir Strashko, has been asked by his boss to resign and will also tender a separation request soon. The general's aides deny the reports, though. Lieutenant General Strashko supervises "rear services," that is, the ministry's logistic and financial affairs.

Curiously, two other deputy ministers have also found themselves out in the cold. Colonel General Nikolay Kulikov, who headed the Russian Militia, has been taken to the hospital for treatment, while Lieutenant General Latyshev, responsible for personnel policy, is on vacation. Muscovites remember Nikolay Kulikov,

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the minister's namesake, as the city commandant in October 1993. As a matter of fact, yet another post of deputy minister, which was held at the time by Andrey Dunayev "the coup plotter," has been vacant precisely since then — for two years now.

The minister himself, Anatoliy Kulikov, was in Stavropol yesterday, where he introduced a new head of the kray's Internal Affairs Administration. As expected, Mr. Kulikov, former commander in chief of the Interior Troops, appointed to the post a local Interior Troop commander from Pyatigorsk. Professional investigators have been displeased with Anatoliy Kulikov's personnel policy; they think that army commanders may be able to see to it that subordinates look smart, but they appear to know little about fighting the mafia.

Ministry of Justice Acquires New Functions

MM1008110095 Moscow ROSSIYSKIYE VESTI in Russian 10 Aug 95 p 1

[Unattributed report: "Sessions: Ministry of Justice Assimilates New Functions"]

[FBIS Translated Text] A session of the Ministry of Justice Collegium has been held, which discussed matters of improving the structure of its centralized apparatus. It was decided that the Ministry of Justice should be given certain additional functions. It is in particular a question of registering corporate entities, monitoring the legality of their activity and their implementation of statutory requirements, along with registering rights to real estate and monitoring the legality of transactions. Let us add that, in line with a recent government decree, the Ministry of Justice has introduced legal scrutiny of Federation components' legal acts on matters pertaining to the state system.

Main Provisions of New Criminal Code Outlined

954F3009A Moscow KOMMERSANT-DAILY in Russian 21 Jul 95 p 14

[Article by Andrey Novikov: "New Criminal Code: A Chance Has Appeared for Death-Row Inmates To Survive"]

[FBIS Translated Text] **Representatives of various factions of the State Duma demonstrated an enviable unity of thought during the preparation of the draft of the new Criminal Code of Russia. The only one to jam spanners into the wheels of the working group laboring over the draft was Deputy Zhirinovskiy. Up to the last moment, he demanded the exclusion from the document of articles stipulating liability for propagandizing war and fomenting national enmity. Nevertheless, on Wednesday 300 deputies voted for the new code (the Liberal Democratic Party of Russia faction voted against), and it was adopted in the third reading. In the code, the death penalty has been retained; however, the court has a right to substitute it with a life sentence. In addition, the group of articles specifying liability for economic crimes has been significantly enlarged upon.**

We remind the reader that work on the new Criminal Code began five years ago. At that time, eminent legal scholars and representatives of all interested departments were included in the working group. However, soon the creative collective fell apart, and the draft code began to be prepared by several independent working groups. As a result, in the summer of last year two drafts were introduced in the Duma. The first variant was presented for the deputies' discussion by the president; the second, by the chairman of the State Duma Security Committee, Viktor Ilyukhin. Nevertheless, over the year, the deputies of various factions managed to prepare a unified draft. In the words of Viktor Pokhmelkin, leader of the working group, that does not happen often.

The deputies substantially altered the structure of the code. If the old Criminal Code started out with chapters on crimes against the state, the new one begins with articles specifying responsibility for crimes against individuals. In accordance with the Criminal Code, punishment will be most severe for serious crimes and crimes committed by recidivists. For example, for premeditated murder with aggravating circumstances, deprivation of liberty for eight to 20 years is stipulated, and also life imprisonment or the death penalty. An increase in the maximum term of imprisonment in comparison to the previous code from 15 to 20 years is likewise stipulated in the articles "treason," "sabotage," "espionage," "violent seizure or violent retention of power in defiance of the Constitution," and "conduct of aggressive war." We note that the supreme measure of punishment is specified only for attacks on the life of citizens, for example, for genocide. At the same time, the elaborators of the draft emphasized that according to the new code, life imprisonment may be applied only as an alternative to the death penalty.

Articles devoted to crimes against property (theft, unconcealed theft, embezzlement, fraud) have remained essentially in their old wording. But then, the bloc of "economic crimes" has undergone significant change. Its first part comprises articles concerning attacks on entrepreneurial activity, according to which officials who impede the lawful work of commercial structures will be punished, as well as monopolists restricting the activity of their competitors. Thus, criminal proceedings may be instituted against the heads of commercial structures who restrict access to the market or who edge compet-

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ing firms out of it, and also companies that by means of collusion hold up prices.

The second part of this bloc is devoted to the protection of physical persons and legal entities from unscrupulous entrepreneurs. The code has been supplemented with articles stipulating liability for unlawful entrepreneurial and banking activity, false bankruptcy, procuring credit through deception, and malicious nonrepayment of loans. If, for example, a debtor, after a ruling by an arbitral tribunal, refuses to repay a loan, criminal proceedings may be instituted against him.

These innovations, according to Deputy Pokhmelkin, have been favorably assessed by the heads of the Ministry of Internal Affairs. At the same time, however, they believe that the new code establishes insufficiently harsh penalties for economic crimes. The thing is that the courts will get the opportunity not only to imprison the entrepreneurs, but also to fine the commercial structures. According to the deputies, the places of detention are overburdened as it is, and the prisoners there are far from always rehabilitated. Therefore, in the opinion of the Duma, economic crimes should be punished primarily by economic methods. Incidentally, the same can be said of official malfeasance: negligence, the giving and acceptance of bribes, and so on.

The deputies introduced into the Criminal Code one more fundamentally new article, stipulating responsibility for industrial espionage. For example, spies who collect information constituting commercial secrets may be fined at 200 times the minimum wage or land in prison for a year. The sanctions against divulging commercial secrets are even more harsh: A fine of 500 times the minimum wage or three years' incarceration. And finally, the Duma introduced changes in the articles concerning unlawful currency transactions. According to the new Criminal Code, only illegal transactions with hard currency will be punishable. Deals with foreign currency in free use on Russia's territory will not be prosecuted.

Nor did the deputies forget organized crime. In almost every article now there is a separate paragraph, in which the committing of a crime by an organized group is seen as an aggravating circumstance and automatically entails harsher punishment.

The deputies note one more peculiarity of the new code. In their opinion, the Criminal Code does not allow for getting rid of one's political opponents and eliminating economic competitors.

Rise of Terrorism Blamed on Demise of KGB

MM1008155095 Moscow KRASNAYA ZVEZDA in Russian 8 Aug 95 p 2

[Article by Vitaliy Strugovets under the "Security" rubric: "Terrorism Is Beginning To Win, or How the FSB (Federal Security Service) Is Weaker Than the KGB"]

[FBIS Translated Text] First of all some history. Brutus, who took up the dagger for political ends, can probably be considered the first terrorist. In the first century AD an entire organization, which proclaimed terror to be its "trade" in the struggle against Rome, was already operating in Judea. In the Middle Ages political terror was practiced by secret societies in India and China. But the twentieth century has been the real "age of terrorism." Karl Heinzen devised an entire philosophy of "the bomb and the dagger." This "philosophy" was substantially augmented by the Russian anarchist Mikhail Bakunin. Then came the sequence of "White" and "Red" terror.

In the postwar Soviet Union, terrorism disappeared from legal practice. Article 66 of the USSR Criminal Code recognized only the possibility of individual terrorist acts. Indeed, from 1950 through 1985 terrorist acts were rare phenomena in the Soviet Union. In March 1979, Yuriy Vlasenko broke into the U.S. Embassy and, threatening to detonate 2 kg of TNT that was on his body, demanded an aircraft to take him abroad and a large sum of money. Then former police officer Ilyan, deciding that he had been unfairly dismissed, took a pistol and went to "kill" Brezhnev.... Maybe that is all. Although there was an upward trend. In the five years after 1980 the number of terrorist acts doubled. The year of 1985 was the "turning point." The advent of perestroyka unexpectedly proved favorable for terrorists. In 1986, 774 attempted terrorist acts were recorded in the country. In 1987, 832 were recorded. In 1988 there were 856. During 1990-1991 around 200 explosions occurred in which 50 people died and 130 were wounded. In the same period 37 acts of aviation terrorism were noted....

It should be noted that, despite the relative safety, the Soviet Union took the problem of terrorism extremely seriously. For example, there was a special KGB directorate. In 1972, following the shooting of the Israeli sports delegation at the Munich Olympics, the special antiterrorist "A" Detachment was formed, now known as "Alpha." It was its members who in 1981 neutralized two terrorists who had taken 25 secondary schoolchildren hostage in Sarapul. In 1983 and 1986 it was they who carried out operations which prevented aircraft hijackings from Tbilisi and Ufa. The arrest of

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the "Gray" gang, the liberation of investigative detention centers in Sukhumi and Saratov from armed criminals.... This is far from a full list of successful operations which created a special image for the detachment. "They can do anything," the leadership decided, and in 1991 "Alpha" was dragged into politics.

It is not for nothing that members of "Alpha" evidently consider that year their most difficult. Having refused to storm the White House in August, the group was left "in limbo." In December its disbandment was even reported. Only a year after the August events did Boris Yeltsin decide, after visiting "Alpha," to retain it and put it under "his control."

The directorate which was the kind-of "brain" of the antiterrorist struggle was treated differently. Organizationally this service was part of the notorious "Five" — the KGB Fifth Directorate — which carried out work among so-called "dissidents." When they came to power the democrats first of all set about reorganizing this very directorate. No, officially nobody persecuted the antiterrorism specialists. But the constant reorganizations and reformations (it is no joke that in four years the state security service changed its name four times and its chief five times — author) created such an atmosphere of psychological pressure that most former KGB officers, even those who did not come into close contact with political investigations, were forced to leave. Moreover it was the best, those who were real masters of their craft, who left — operational officers, explosives experts.... But it was not only experienced officers whom the antiterrorism service and the entire security service lost. It was deprived of its optimal structure, which had taken years to develop. Four departments were created — as is known, for exclusively political reasons — out of the KGB: the Federal Security Service itself, the Federal Government Communications and Information Agency, the Federal Border Service, and the Main Bodyguard Directorate. Recent events really show where this fragmentation led.

If we look carefully at the four recent operations in Mineralnyye Vody and at the events in Budennovsk, it is not hard to draw the conclusion that it is by no means in combat proficiency that the law-enforcement organs are now inferior to the terrorists. The most telling factor is the loss of experience in organizing the conduct of such operations. "Alpha" and "Vega" (formerly "Vympel"") are not themselves geared toward organizational work. They have, as already noted, their own mission — stopping terrorist acts. They operate, as the saying goes, at the sharp end. This is where "Alpha" really can do anything. But what did the events in Budennovsk, where practically all the special subunits currently in existence assembled, show? Organizing collaboration among them in a short space of time proved problematical. Above all because, despite the outward similarity, the operational tactics of MVD [Ministry of Internal Affairs] and security services special subunits are substantially different. But this is the "technical aspect" of the question. It is much more significant that with the demise of the KGB, which used to coordinate all special services activity, the antiterrorist subunits have lost their bearings in the current situation. Moreover, the "tough guys," who are directly linked to the head of state, are no longer, as the saying goes, wasting time on "trivialities"..., but they are losing practical experience.

Since Budennovsk this has, it seems, been realized. At a Russian Federation Security Council session it was decided to form a single antiterrorist coordination center. It is as yet difficult to assess how effective this will be, because the statute on the new structure has not yet been drawn up. But if it does prove possible to combine the informational and the operational subunits, specialists believe that the problem of combating terrorism will possibly have been solved. If it is not possible, everything will remain as before.

But there is another substantial aspect of the problem in question — a clear government position on terrorism. As, for example, in Israel. Potential terrorists there know in advance that the state will not meet their demands in any circumstances. Such a position is taken not only by Israel but also by Colombia, Turkey, Argentina, etc. There terrorists making an initial demand cannot even count on being supplied with weapons or drugs or given access to national mass media. The exchange of government members and deputies for hostages is also ruled out, especially as there can be no question of "government guarantees of safety" for them. Discussion of demands of a political nature is totally ruled out.

...Again we are "ahead of the planet" in creating a precedent whereby a terrorist group not only forced the government to hold talks with it but also got what it wanted from it. Moreover, world experience indicates that the lack of an instant, tough response to an act challenging the state system always provides scope for repetition. Whereas decisive actions, even if somewhat unsuccessful, suppress this desire.

But let us return to Budennovsk again. Right after the first reports of the incident in Stavropol the question arose: How could this have happened? Why did they not know about it or anticipate it? They did know. And they did anticipate it. Information about the possible appearance of Chechen gunmen on Russian territory was being obtained regularly. But it was not very full information, so it was not possible to detect a transition

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"from a state of readiness to action." So that there was no chance of forestalling it....

These days the reaction to the appearance of a man "from the system" evinces neither trust, nor respect, nor the desire to help. The identity card of an FSB (which most people still associate with the KGB) officer is not enough to obtain the necessary information. The attitude toward agent's work is just the same. The word "agent" has become synonymous with the word "informer." In America, a special services agent is an official position. Incidentally, not one of the world's special services has yet given up agent work. But in this country everything is the other way round.

For example, our special services have now been prohibited from working in political parties and public, religious, and nationalist movements. But surely that is the environment in which strident, extremist statements are now being increasingly voiced? Is it not primarily there that illegal armed detachments are being formed?

No, nobody is calling for total control over absolutely everything. But, you will agree, the state must look after its own security. And after yours and mine, incidentally.

Finally, apropos the latest, most terrible form of terrorism — nuclear terrorism. In a recent conversation with journalists Viktor Poshchin, deputy chief of the Russian Federation Atomic Energy Ministry Main Administration for Protecting Information, Nuclear Materials, and Facilities, stressed that it was unlikely that homegrown terrorists capable of penetrating the "bastions" of its defense would be found. He said encouragingly: Even if a nuclear bomb does fall into gunmen's hands there will be no explosion. At worst a "local contamination of a small area of terrain"....

Fine words! Can our current lack of concern be better illustrated? What if once again people cry out: "Where on earth are state security?" But in the normal sense of the word we no longer have any "security"....

More on Yeltsin Returning Damage Compensation Law

LD1008173895 Moscow ITAR-TASS in English 1714 GMT 10 Aug 95

[FBIS Transcribed Text] MOSCOW, August 10 (ITAR-TASS) — Russian President Boris Yeltsin on Thursday [10 August] returned for a repeated consideration by the State Duma, the lower house of parliament, the federal law "On the Order of Compensation of Material Damage in Connection with Violation of Terms of Payment of Salaries, Pensions, Stipends, Allowances, and Other Social Payments," the presidential press service reported.

The motives of such move are reflected in the president's letter to State Duma speaker Ivan Rybkin. The president considers that the purpose of adopting this act has not been achieved. Moreover, the introduction of the law will not only fail to lift the problem of indebtedness on salaries, pensions, and other social payments, but will only lead to serious negative consequences, as its practical implementation is quite problematic, Yeltsin believes.

The letter says further on that the law is supposed to establish the order of compensating material damage, to stipulate a strict legal mechanism of such compensation. It is apparent from the contents of the law, however, that this goal has not been attained, i.e. the order of compensating material damage is missing.

The law does not mention the sources of compensating the inflicted material damage, and the very notion of this damage does not correspond to article 15 of the Russian Civil Code, the president stressed.

Analysis Center Rates Parties in Dec Election

LD0908193295 Moscow ITAR-TASS in English 1455 GMT 9 Aug 95

[By Lyudmila Aleksandrova]

[FBIS Transcribed Text] MOSCOW, August 9 (ITAR-TASS) — The centre for strategic analysis and prognosis today released a rating list of the parties, alliances and movements that are taking part in the election race ahead of the December elections to the State Duma lower house of parliament in Russia.

According to the list, The Communist Party of the Russian Federation ranks first (6.2 points), Premier Chernomyrdin-led alliance "Our Home Is Russia" comes next with 6.2 points and the Liberal Democratic party of Russia (LDPR) next with 5.8 points.

Announcing this at a press conference here today Centre chief Dmitriy Olshanskiy said experts took into account ten parameters in assessing the standing of contestants in August: the effectiveness of their organizational structures (their ability to collect 200,000 signatures in order to win registration as contestants); their intellectual potential (the presence of analytical centres, and the like); the administrative resource index; matching political statements and mass anticipations; sufficiency of financial resources; the attractiveness of the leaders; the popularity of their slogans and organisations themselves; access to the media, and the readiness of their supporters to turn out for the polls.

Other organisations on the list rank as follows: Aleksandr Rutskoy's social and political movement "Strong

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State" ranks fourth (5.6 points); Yabloko comes fifth (5.3), the Agrarian party of Russia ranks sixth (4.9). These are followed by "Women of Russia" (4.8), The Congress of Russian Communities (4.5); Svyatoslav Fedorov's Party of Self-Rule of the Working People (4.1), Sergey Mavrody's Party of People's Capital (3.8), Ivan Rybkin's Left-of-Centre alliance (3.7) and Russia's Democratic Choice (3.2).

It is indicative that 50 experts expect 35 percent of all returns to be "doctored" in the process of counting the ballots.

According to Dmitriy Olshanskiy, Yabloko ranks relatively low because of its insufficient organizational potential. The same goes for The Congress of Russian Communities. The latter's success will depend to a considerable degree on whether General Aleksandr Lebed's popularity is viable enough to last until December 17: experts consider him to be a "one-track politician" whose popularity arose on the basis of the Dniester Army issue and they cannot foresee what is likely to happen when the issue is fully settled.

As concerns the Zhirinovskiy party, it is busy conducting a painstaking organizational and propaganda campaign all over the country, which, despite a relative slide-down in Zhirinovskiy's personal standing, cannot fail to produce results. Olshanskiy pointed to the recent marketing of vodka and beer under the brand name of "Zhirinovskiy", the opening in several cities of cafes "At Zhirinovskiy"s" and active work with the population conducted by his party.

The high rating of Rutskoy's party "Strong State" was explained by Olshanskiy by the ease of mobilising the party's electorate: the party has chapters in 62 regions of the country and its election campaign is run by Viktor Kobelev who left Zhirinovskiy's party after engineering its election campaign in 1993.

The Centre also conducted, jointly with the Vox Populi service, a public opinion poll that yielded the "futures ratings" of contestants. The study revealed that the popularity of Vladimir Zhirinovsky and Gennadiy Zyuganov was seen as rising also in the perspective. A list of 10 most influential politicians of Russia in December places Zhirinovskiy fifth, Zyuganov sixth, Grigoriy Yavlinskiy eighth, Aleksandr Lebed ninth, and Arkadiy Volskiy 10th.

Rybkin Outlines Bloc's Policies for Newsmen

MM1108093095 Moscow PRAVDA in Russian 11 Aug 95 p 2

[Report by Valentina Nikiforova: "Speaker Hoists Electoral Colors"]

[FBIS Translated Text] I. Rybkin met with Russian and foreign journalists immediately after the State Duma Council session which scheduled the extraordinary session of the chamber for 12 August. Ivan Petrovich reaffirmed that the main result of all three State Duma sessions was that the "coordination of the interests of different socioeconomic and political groups had been done under the roof of the State Duma rather than in the squares and streets. How those 18 months were used and by whom is another matter. And this applies to the government above all."

This was a new aspect in the position of the speaker who, as a rule, does not state his attitudes so definitely. His further comments sounded like a challenge to the premier, who is setting up an electoral bloc rather than doing any specific work. I. Rybkin defined his bloc's position as follows — supporting Russian commodity producers, since "excessively squeezing the money supply without increasing the supply of Russian-made goods will not have any benefits. Huge great Russia must organize its production without making any concessions to the positions of high-handed foreign visitors."

I. Rybkin also made his position clear on the situation in the Balkans. He believes that even a bad peace is always better. But the achievement of peace in the Balkans is a "dream which, sadly, we are approaching in an inconsistent way. And when columns of refugees are fired upon that is a 20th-century barbarity."

Thus, I. Rybkin has pinned his electoral colors to the mast and hopes that he will have some allies.

Smaller Communist Parties To Contest Elections

LD1008115695 Moscow ITAR-TASS in English 1003 GMT 10 Aug 95

[By Lyudmila Aleksandrova]

[FBIS Transcribed Text] MOSCOW, August 10 (ITAR-TASS) — Having lost all hope for reaching an accord on building an election alliance with the "big brother," the Communist Party of the Russian Federation (CPRF) led by Gennadiy Zyuganov, small radical communist parties of Russia are now trying to run in the election race on their own.

One such attempt has been made by the Russian Communist Workers Party (RCRP). This party that

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ranks second in popularity after the CPRF has signed an agreement to team up with the Russian Party of Communists (RPC).

RPC leader Anatoliy Kryuchkov told ITAR-TASS today that some other organisations were expected to join the alliance by August 16. Judging from what he said, it is not ruled out that Viktor Anpilov's "Labour Russia" will also join the bloc.

Anatoly Kryuchkov recalled that the XXXth Congress of the Union of communist parties - - CPSU which was held in July appealed to all communist organisations to begin negotiations on the creation of a single election alliance "Communists of Russia."

Kryuchkov said all parties with the exception of the CPRF agreed to sit down together at the negotiating table. As concerns the Zyuganov party, it set forth conditions which other communist organisations found unacceptable. Joining the alliance on its conditions would mean joining the CPRF election bloc without the right of vote, Kryuchkov said.

Nonetheless, the radical communists do not want to burn all bridges. According to Kryuchkov, the appeal to the CPRF to begin negotiations on the creation of a single communist bloc remains effective even after the signing of the accord with other communist organisations.

It is doubtful, however, that the most respectable of the pro-communist parties, the communist party of the Russian Federation, would want to team up with the radicals who are not likely to give the alliance too many additional votes but are certain to scare off the moderate wing of the CPRF electorate.

Poll Shows Left's Popularity, Influence Growing

MM0908114695 Moscow SELSKAYA ZHIZN in Russian 8 Aug 95 p 1

[Article by Marat Glinka under the "From Tuesday to Tuesday: View of Events" rubric: "Left Turn"]

[FBIS Translated Text] Let us not guess how accurate are sociologists' forecasts based on the opinions of city and village inhabitants — the results here quite often depend on the client's wishes, the correct wording of the questions being asked, and the prejudices of the people asking and the degree of frankness of the people answering them. Yet there is no escaping such facts as these: Last week the popularity of the Communist Party of the Russian Federation [CPRF] and its leader Gennadiy Zyuganov was for the first time higher than that of Grigoriy Yavlinskiy, the undoubted leader of the "democratic" wing of our politicians, and his "YABLoko" bloc. Moreover, the Communist Party leader's rating was the highest among the country's leading politicians.

Another poll, carried out by Dmitriy Olshanskiy's Strategic Analysis and Forecasting Center among political scientists and journalists, aimed to ascertain the degree of various political figures' influence on the processes in the Russian economy in August. Here, also for the first time, the list was headed not by President Yeltsin but by Premier Chernomyrdin. Viktor Stepanovich had 8.72 points (on a 10-point scale) and Boris Nikolayevich had only 7.27. Some political scientists even put the president in third place in terms of influence, after Mayor of Moscow Yuriy Luzhkov.

Finally, the results of yet another piece of research, which aimed to ascertain the popularity of potential presidential candidates. When asked for whom they would vote if elections were held today, future voters named only General Lebed, who recently entered big-time politics.

These results indicate the considerable changes in the country's political climate — after all, it is not just a question of individuals but also of a clear change of bearings in the public consciousness. The organization, by command from above, of two new electoral blocs — the pro-government "Russia Is Our Home" "party of power" and Ivan Rybkin's association, which does not yet have a definite name — has by no means led to the disorganization of other public movements which do not possess such clear and strong support from the president's team as the aforementioned ones but which on the other hand do have Russians' sympathies.

Observers on the capital's "democratic" newspapers are passing over the Agrarian Party of Russia bloc in silence, and it does not figure in most sociological research, which is as a rule carried out among urban inhabitants. But polls of wider masses show that the Agrarian Party of Russia is now supported by up to 25 percent of voters, at the same time as the Chernomyrdin and Rybkin blocs can count on 10-15 and 7-10 percent of votes respectively. As regards other, quote, "peasant" parties, do some people seriously believe that rural workers will get behind Viktor Shchekochikhin, chairman of the Russian Union of Landowners Executive Committee, knowing that this newly emerged landowner acquired (I wonder how?) 1,400 hectares of land in nearby Moscow region, where the cost of land runs into not millions but billions of rubles?

Account must be taken not only of the current moods but also of the following trend: Left-wingers are constantly increasing their influence. This was the conclusion reached by foreign analysts, who were unpleasantly struck by the following fact: In the last few months the

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CPRF has been steadily building up its membership, at a time when the vast majority of parties which have declared the building of capitalism "in this country" as their program aim have lost a considerable proportion of their supporters. The sole exception is Yavlinskiy's "YABLoko." Although many of his people now support the CPRF, their departure has been compensated for by former "Russia's Choice" supporters who have deserted the discredited Gaydar. But this change in the party's composition will inevitably cause it to swing to the right. No matter how Yavlinskiy tries to stress that he is against the government and the president, people have not forgotten that it was the "YABLoko" bloc's leader — the author of the sadly infamous "500 days" program — who started the disintegration of the USSR economy.

Another influential group — the Congress of Russian Communities — is now entering the Russian political arena. Gen. Lebed is number two in this burgeoning organization, whose chairman Yuriy Skokov, the well-known politician and industrialist despite his unwillingness and inability to strut his stuff in front of the television cameras and cameras, was recently elected. Skokov, general director of the "Kvant" association, one of the first people to use market mechanisms in the economy, and secretary of the Russian Security Council, who quit his post because he disagreed with President Yeltsin's anticorruption steps, became chairman of the Federation of Russian Commodity Producers and is well known both in plants and in rural circles. The federation has devised a detailed plan for extricating the country from the crisis.

Of course, the might of the right-wingers must not be underestimated. The "New Russians," who have made multimillion fortunes from plundering the nation's property, the bureaucrats of all colors serving them, and the political bosses who are clinging to the power they have obtained by improper means, will do everything they can to preserve the existing system. It is all the more important to find ways toward joint actions between all really democratic forces, so that the left turn that has taken place in our country can put our people on the track of a recovering economy.

Strong Showing Forseen in Elections

MK1108091495 Moscow SEGODNYA in Russian 10 Aug 95 p 2

[Report by Sergey Markov, senior researcher at the Moscow Carnegie Center: "Left-Wingers Swinging Toward the Right and Gaining Strength. Gennadiy Zyuganov in Search of a New Communism"]

[FBIS Translated Text] Political scientists involved with the Moscow Carnegie Center hold that the left-wing vote will likely grow. This was the conclusion they reached after analyzing the attitudes of the electorate of parties traditionally considered leftist.

The traditional electorate of the Communist Party of the Russian Federation [CPRF] and the smaller parties of a communist orientation is made up of pensioners, and that of the Agrarian Party by rural residents. Their most significant difference from other social groups lies in their fairly large turnout at the polls. Furthermore, those voting for the left-wing usually shun last minute choices, as their degree of identification with the candidates they vote for is very high. In other words, the left-wing electorate is highly active and disciplined. If parties recommend that their electorates vote for this or that candidate in a single-seat constituency, chances are high that the voters follow the recommendation.

The left-wing electorate shows a high degree of awareness of its choice as well: The supporters of the leftist parties vote not so much for leaders as for the parties' programs. If Gennadiy Zyuganov and Mikhail Lapshin withdrew from the leading positions, it would be no great blow to their parties.

With pensioners and rural residents, it is not so much a question of political views as it is one of social status, which changes more slowly than viewpoints. This renders the left-wing electorate highly stable. This stability has both positive and negative aspects to it: The adversaries of the left-wingers find it difficult to derail their positions, while for the left themselves, it is difficult to enhance their electorate without drastic changes in their position or radical changes in the political situation at large. Thus, most analysts think that, although, the left is likely to increase its representation in the next Duma, the increase will not be impressive.

The left might find prospective new voters among engineers and skilled workers in general who are engaged in production, which is in a bad slump. It was engineering and technical personnel that once made up the core of the democratic electorate. With their current disillusionment with the outcome of the reforms, the left has a fair chance to win them over; though to manage this, the CPRF should relinquish its conspicuously communist image to set a more moderate leftist course, and experts for the most part voice doubts as to the possibility of this about-face by the time of the forthcoming parliamentary elections.

Much depends on the voting behavior of former supporters of Democratic Russia (among them are many engineering and technical workers and other highly qualified employees), and numerous political forces are vying for their vote, the left included. It is difficult to say thus far who they are going to vote for — they have not made

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up their minds yet — and the political forces that are able to key their policies to them are bound to increase their electorate considerably.

In general, because of the growing difficulties in the economic transformation, social problems will be continuously edging to the forefront and that, obviously, affords the leftist parties additional opportunities. The leftists, however, are not the only ones to realize this. Therefore, on the one hand, all political forces will put leftist rhetoric to use and, on the other hand, the ruling groups will try to steer clear of social problems.

In the forthcoming elections the leftist groupings will likely be split as before. A fairly moderate center-left bloc headed by Ivan Rybkin will, in all likelihood, run on a separate ticket, and the communist leaders will be unlikely to come to agreement despite an obvious drive at the grassroots level of the communist groupings to form "The Communists of Russia" united bloc. The ambitions of leaders, though, are a natural constituent part of politics. Apart from ambitions, there are other, more substantial, grounds preventing the left-wing (and even communists) from making a concerted effort. An alliance with more radical communist groupings, for instance, will secure the CPRF a somewhat larger vote, though it is fraught with the danger of turning more moderate voters away from the party, all the more so since the Yabloko bloc intends to seize hold of part of the communist vote.

Gennadiy Zyuganov, unwilling to team up in a really communist bloc, is known to have come up with most stringent conditions: no "dead souls" (nonrecognition of minor communist parties as equal partners); party tickets made proportional to the parties' membership (that gives an absolute predominance to the CPRF, which numbers, according to the party itself, 515,000 members); and professionalism as one of the most important selection criteria (which jeopardizes the leaders of the groupings more radical than CPRF). Nonparticipation in a united ticket, however, will definitely bar the way to the future parliament for other communist parties.

Experts, applying traditional notions of the political spectrum, have pointed out a certain leftist bias in electoral values, and have discovered that the very notion of "being left" is of a highly conventional nature in Russia. In particular, the Communist Party of the Russian Federation, and especially its leader Gennadiy Zyuganov, can hardly be perceived as the left in the proper sense of the word, as most of the CPRF's postulates and program priorities are traditionally more right than left.

Such, in particular, is the attitude of the CPRF toward the state, toward the idea of the nation, toward the problem of modernization/authenticity, religion, and traditional values (family, morals, etc.) Only with its attitude to property and to the government's role in the economy does it emerge as a leftist party.

Thus, Gennadiy Zyuganov, leader of the Russian communists, is bravely doing communism in in its last bastion — the CPRF — and is trying to create a new ideology for the latter. The Agrarian Party's ideology also presents an unusual mix of patriarchalism and "leftist" ideas of collectivism. Ultimately, the Moscow Carnegie Center experts suggested that the difference between "state power" advocates and "liberals" be substituted for that between the left and the right. The discussion over how to apply the notions of "the right and the left" does not rule out their presence in the social consciousness.

Islamic Factor in Future Russian Politics Viewed

MK1008132095 Moscow MOSKOVSKIYE NOVOSTI in Russian
No. 53, 6-13 Aug 95 (Signed to press 8 Aug 95) p 4

[Article by Sanobar Shermatova: "Islamic Factor of Future Duma"]

[FBIS Translated Text] **Russia's Muslim Organizations Will for the First Time in the Past 80 Years Nominate Their Candidates in the Duma Election**

The Muslim population of the Russian Empire is known to have been represented in the first three Dumas by deputies of all the estates. Duma Muslims had a faction of their own. Today's candidates are not hoping for an independent faction in the future parliament. Surprises are not ruled out, though. "Our victory will be as unexpected as was the LDPR's [Liberal Democratic Party of Russia] success in 1993," said Akhmet Khalitov, general secretary of the Union of Muslims of Russia. The Union has been organized this year clearly "for the election" and already has branches in 50 regions. There is no clear political orientation: The Union is made up of both leftists and rightists, the main objective being to represent the interests of the Muslims.

What are these interests? In Khalitov's view, had there been Muslim deputies in the current Duma there would have been no war in Chechnya. But antiwar sentiment is only one side of the fact that the Muslims subconsciously feel themselves to be second-class citizens in their own country. This sentiment brings them together with other smaller peoples of Russia adhering to other faiths. Khalitov thinks that these are precisely his voters.

The all-Russia "Nur" (Light) Muslim movement, with branches in 47 regions, also intends to represent Mus-

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lims' interests. Its programmatic goals generally coincide with those of the Union of Muslims; however, on political issues "Nur" is more outspoken.

"Today we hear — the Russian question, Russian traditions, the Russian Orthodox Church.... There is no word "Rossiyanin," [native or inhabitant of Russia, as opposed to ethnic Russian] that encompasses many senses and is understood by everyone," said "Nur" Movement Chairman Khalit Yakhin at a news conference, expressing worry over the "Zhirinovskiyization" of the current authority. This last conclusion sounded somewhat unexpected, because the "Nur" movement leader is an aide to Aleksey Mitrofanov, an LDPR Duma deputy.

Curiously, Union of Muslims leader Akhmet Khalitov's past also has to do with Zhirinovskiy. In the past, both were jointly creating the LDPR, but then broke up.

The LDPR's Muslim opponents seem to be skillfully using the sentiments stirred by Zhirinovskiy himself. Throughout the years, attempts to use the Islamic factor for political goals have been unsuccessful in Russia. But today, in the wake of the wars in Tajikistan and Chechnya and after the persecution of people from the Caucasus and "southerners," the Islamic factor is mature enough to take part in the political struggle.

Media Issues

Shumeyko Urged To Amend Curbs on Mass Media

MM1108083895 Moscow PRAVDA in Russian 11 Aug 95 p 1

[PRAVDA Own Information Bureau report: "To Grandfather Vladimir Filippovich in the Country"]

[FBIS Translated Text] Vladimir Shumeyko personally and a number of organizations have received an open letter from Aleksey Simonov, chairman of the Glasnost Defense Foundation, stating that the Criminal Code recently passed by the State Duma and sent to the Federation Council contains a sharp increase — compared to existing legislation — in the number of criminal law bans on the mass media.

Whereas the existing RSFSR Criminal Code lists 11 crimes relating to the mass media, the new code has double that number. The boundaries of liability are considerably expanded and the risk of mass media employees facing criminal prosecution as a result of their professional activity has increased.

But this trend on the part of the lawmakers is strangely combined with a complete lack of criminal law guarantees for the freedom of the mass media or for the protection of the rights of the press and journalists.

"These oversights in the new Russian Federation Criminal Code are intolerable," Simonov writes, "and should be eradicated before the law is finally adopted."

But it is hard to believe that when Vladimir Filippovich gets the letter he will immediately rectify and improve everything. Most probably he will make things worse....

Military & Space Issues

Defense Ministry Pleads for Winter Food Supply Cash

MM1008114695 Moscow KRASNAYA ZVEZDA in Russian 10 Aug 95 p 1

["Own Information" report: "Defense Ministry Calls for Aid"]

[FBIS Translated Text] Andrey Kokoshin, Russian first deputy defense minister; and Army General Mikhail Kolesnikov, chief of the Russian Federation Armed Forces General Staff, held 5-9 August a series of conferences and hearings on questions of preparing the Armed Forces for winter and their food supply with the participation of administration heads and leaders of various government departments' enterprises. The situation here remains very complex owing to the chronic underfunding of the Armed Forces, despite all the efforts made by the relevant services.

The Defense Ministry once again told the government in no uncertain terms of the need for urgent steps to normalize Armed Forces funding. In particular the government was requested to ask the State Duma to adjust budget indicators under the "National Defense" section for the second half of 1995 in order to bring defense spending into line with the real rise in prices.

Fleet Command To Close Flight Control Center

LD1008133895 Moscow INTERFAX in English 1146 GMT 10 Aug 95

[FBIS Transcribed Text] MOSCOW, Aug 9 (INTERFAX) — As INTERFAX has learned from military sources, the command of the Russian Navy sent to the headquarters of the Black Sea Fleet an order on the disbandment of the flight control center at the aerodrome of Gvardeiskoe (Simferopol, Crimea) before October 16. In addition, the document provides for the transfer of the aerodrome's facilities, aviation equipment, arms, ammunitions, property and material resources of the military units stationed on the aerodrome of Donuzlav to Ukraine's Navy this October.

The order underlines that the division of the military equipment and naval material reserves should be accomplished on a 50:50 basis.

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Meanwhile, one of the Russian military experts said in an interview with INTERFAX that if the information about disbandment of the flight control center is confirmed it would actually mean the loss of control over Crimea's air space for the Black Sea Fleet command.

Our INTERFAX correspondent failed to receive any confirmation concerning any order related to the aerodrome of Gvardeiskoe in the headquarters of Russia's Navy.

Cosmonauts Continue Scientific Research Program

LD1108101095 Moscow ITAR-TASS in English 0951 GMT 11 Aug 95

[FBIS Transcribed Text] FLIGHT CONTROL CENTRE, MOSCOW REGION August 11 (ITAR-TASS) — Russian cosmonauts Anatoliy Solovyev and Nikolay Budarin have been working in orbit for 45 days.

They fulfilled another series of explorations under the Mir-Shuttle programme, worked out jointly by Russian and American specialists, over the past two days. The main task of this explorations is to get fundamental research data in various areas of space medicine and biology.

The two cosmonauts underwent a comprehensive checkup of their cardiovascular systems, including that with dozed [as received] physical loads, carried out a series of experiments on determining parameters of the microclimate in the premises of the complex and on appraising drinking water quality.

The flight programme for Friday provides for geophysical investigations, including video filming and specrometering of separate areas of the earth's surface and experiments to study peculiar features in the growth of higher plants in zero-gravity conditions.

The crew will start a heat on the Kristallizator installation under the programme of space material studies this evening.

The flight proceeds according to the set schedule. The cosmonauts are healthy and feel well.

Federal Assembly

Further on Upcoming Duma Emergency Meeting 12 Aug

MK1008112095 Moscow KOMMERSANT-DAILY in Russian 10 Aug 95 pp 1, 3

[Report by Yevgeniy Yuryev under the "Duma Council Meeting" rubric: "The Problem of the Day: Do You Want It Whole or Sliced?"]

[FBIS Translated Text] The State Duma is to break off its recess and gather for an emergency plenary meeting on Saturday, 12 July [date as published]. This decision was made by the Duma Council yesterday, bowing — in accordance with the chamber's rules of procedure — to the demand voiced by more than one hundred deputies concerned on the eve of elections by legislative confusion over the procedure for forming electoral districts.

The law on dividing the country into electoral districts was passed by the lower chamber back during its spring session, but the Federation Council, suffering from chronic quorum problems, turned it down without voicing any objections on the substance. Neither Federation Council members nor the Central Electoral Commission see this as a tragedy, thinking that elections could well be conducted according to the old scheme, all the more so because its differences from the Duma-proposed scheme are very insignificant. But watchful deputies, noticing certain discrepancies between the former districting procedure and electoral laws they have adopted, chose to insure themselves against the Kazakhstani scenario, thinking that any inconsistency in the electoral legislation may give one grounds to deem the elections invalid, to annul their results, and to dissolve the newly-elected Duma. The Duma wants to rule out such a possibility, albeit a hypothetical one. For this reason the parliamentarians have been urgently recalled from their vacations.

Ivan Rybkin was not particularly enthused by his colleagues' initiative, however: He cited the considerable costs and effort that would be required to bring together the deputies already out of town. Speaking at the Duma Council meeting, Ivan Rybkin suggested that so as not to create extra problems for themselves or for the Central Electoral Commission, they had better leave it as it was in 1993, and if they need insurance so badly, they could approve the old district map by law at one of the first meetings of their autumn session. The speaker's proposal was supported only by the "Rossiya" deputy group, which is part of his center-left bloc.

A radical method of resolving the problem was proposed at the meeting by Vladimir Zhirinovskiy. According to the Liberal Democratic Party of Russia [LDPR] leader, elections in electoral districts should be canceled completely and only elections on party lists be held. Representatives of other Duma factions proved to be unprepared for such drastic solutions, however. A majority voted for convening an emergency meeting.

The Duma has three options for resolving this problem. This first option is to try to override the upper chamber's veto on the draft law on the new districting system. The advantage of this option is that it makes it possible to

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meet the deadline provided for in the Constitution and to draw the boundaries of districts just in time.

If it overrides the Federation Council's veto, the draft law is to be passed to the president, who is to make his decision on it within 14 days. The deadline for publishing the law is 29 August — with 110 days to go before the elections — and under the first option the Duma will have time to meet it. Its drawback — a fairly significant one at that — is the number of votes required to override a veto. In order to do so the Duma will have to muster the votes of two-thirds of its members. Bringing together 300 deputies at a time of summer vacations would seem fairly problematic, however.

The second option is to pass a new version of the law, taking into account objections and proposals made by the Federation Council. This would take just 226 votes. The Duma may pass a new law in three readings at one time, but it will also have to be considered by the upper chamber. If Federation Council members fail to turn out for this occasion the draft law would still be sent to the president, but only after 14 days. If we add the two weeks reserved for the president to make a decision, the law may well miss the deadline for publication.

The third option calls for the contradictions caused by the old scheme to be smoothed over by making amendments to the law on elections. This plan has the same drawbacks as the second option.

Vladimir Isakov, chairman of the Duma's Legislation Committee, thinks the first option calling for the Federation Council's veto to be overridden to be preferable. In a conversation with your KOMMERSANT-DAILY correspondent he suggested that the quorum required for this purpose will be ensured. In Isakov's view, the deputies realize the gravity of the problem and those who may choose to go on sunbathing on the beach would feel quite uncomfortable.

The tentative agenda of the Duma's emergency meeting features only one item — yet another consideration of the law on forming electoral districts. The Duma speaker thwarted all attempts to add other questions to it, citing the fact that no other reasons apart from the districting problem were mentioned when signatures for an emergency meeting were collected. This does not mean, however, that the agenda will not be changed at the meeting itself. The factions of the Communist Party and the LDPR have already announced their intention to put to a vote their draft statement in connection with the heightening of tensions in the Balkans. A number of factions have proposed that Radovan Karadjic, leader of the Bosnian Serbs, be invited to attend the meeting.

Seeks To Overcome Council Veto

LD1108104095 Moscow ITAR-TASS in English 1026 GMT 11 Aug 95

[By Ivan Novikov]

[FBIS Transcribed Text] MOSCOW, August 11 (Itar-Tass) — The State Duma is out to overcome the last obstacle to the parliamentary elections — the veto of the Federation Council on the law on the plan for one-seat constituencies. The Duma deputies are quite able to cope with this task. This is shown by the unanimity with which Duma factions passed last Wednesday the decision for the repeated discussion of the law by an extraordinary plenary meeting fixed for August 12. Speaker of the State Duma Ivan Rybkin urged deputies to break up their vacations for one day and attend the meeting.

Even if the parliamentarians fail to overcome the veto of the Federation Council by the qualified majority of 300 votes, the question of election districts will be solved. The Duma committee for legislation has drafted several variants of amendments to the law which, in the opinion of the committee's chairman Vladimir Isakov, take into consideration many proposals of the Federation Council. In this case the Federation Council will have to discuss the new version of the law.

Observers believes this will not happen. Unlike the State Duma, the Federation Council will not assemble for an extraordinary meeting. In this event, the new draft law on the setting up of election districts, in accordance with the legislative procedure, will be referred directly to the President for the signing. The law should be signed by the head of state not later than August 28. Otherwise the Central Election Commission will step in. It will be obliged to introduce the old plan for the forming of election districts, tried out at the 1993 elections.

It is believed in the Duma things will not go this way. The deputies and the President are determined to support the plan for one-seat constituencies proposed by the Central Election Commission this year. The essence of its proposal is that the number of voters for a one-seat district, 460,569 people, has been established for subjects of the Federation.

This number has been arrived at by subdividing the total number of voters, 104.9 million, by the number of one-seat districts — 225.

Calculations showed that compared with the 1993 elections, the number of election districts increased by one in the Leningrad, Moscow and Rostov regions and decreased by one in the Komi Republic, the Kurgan and the Tomsk regions. These changes connected with

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certain recarving of frontiers of the former election districts became the stumbling-block for most deputies in the Federation Council.

It is believed in the State Duma that the procedure of the formation of the legislative authorities should be juridically perfect. This is why some 100 Duma deputies, following the Federation Council's veto, suggested calling an extraordinary meeting of the lower house of parliament. The call was unanimously supported by all factions and groups of deputies.

Duma deputies believe that the old plan for election districts is not the best basis for parliamentary elections. They believe this may suggest the repetition of the "Kazakhstan precedent". The Kazakhstan Constitutional Court invalidated parliamentary elections for the reason that they involved violations of procedures connected with the setting up of election districts.

Duma deputies are fully aware that if old rules are used in the present political struggle some associations may take advantage of this to raise the question of the legitimacy of the elections and turn to the Constitutional Court, as it was done in Kazakhstan. Therefore, there is no doubt that rare unanimity will be shown in the Duma on Saturday so as to cope effectively with the situation caused by the stance of the upper chamber of parliament. Isakov believes members of the upper chamber were guided by "egoistic aims".

Rybkin Urges Deputies To Attend

MM1008140495 Moscow KRASNAYA ZVEZDA in Russian 10 Aug 95 p 3

[Report by Vladimir Yermolin: "State Duma Council Interrupts Deputies' Summer Vacation"]

[FBIS Translated Text] On Wednesday [9 August] the Russian Federation State Duma Council effectively resolved one issue — it set the date for an extraordinary State Duma plenary session in connection with an initiative submitted by over 100 deputies. It was decided to hold this session on Saturday 12 August at 1400 hours.

The deputies, including leaders of the Communist, agrarian, LDPR [Liberal Democratic Party of Russia], and "Yabloko" factions, think that the format of electoral districts does not conform with the current Election Law. The law makes provision for mandatory equality of districts in terms of their number of voters, but the format of single-seat electoral districts will stay the same. Adjustments to it were rejected by the Federation Council. It is in order to overcome the upper chamber's veto that parliamentarians are meeting at the height of their vacation for a plenary session. Deputies must get at least 300 votes in order to overturn the veto. Now the whole issue is whether enough Duma members will meet in Moscow by the scheduled date.

This entire saga seems somewhat crazy. If the relevant legal requirement exists, why is the Federation Council displaying such ostentatious stubbornness. Obviously, in the past couple of years a number of districts have undergone changes. Millions of people have flooded into Russia from the near abroad. Most of them have obtained Russian citizenship. The "Chechnya factor" is taking its toll in southern regions — a considerable number of refugees are settling in Stavropol and Krasnodar Krays. The districts' "clout" is accordingly changing too. It is not only essential but also natural to change their borders.

That is why it is hard to find a reasonable explanation for the Federation Council's decision to reject the law on the formation of electoral districts. You involuntarily get the idea that someone is simply benefiting from thwarting the elections. Since the above law must be published at least 100 days before the elections. Time is drawing on. On what are hopes being pinned — on State Duma deputies' lack of discipline? However, let us recall that State Duma Speaker Ivan Rybkin said a month ago that parliamentarians would most likely assemble in Moscow in the middle of their vacation to rectify the Federation Council's mistake. And so it has proved. Rybkin is now appealing to his colleagues via the press: "I cannot compel you since you are on vacation, but I really do ask you to attend the session."

It is thought that there will be attempts to raise a number of other topical issues at Saturday's session in addition to the above issue. In particular, some deputies are extremely concerned about the development of the situation in Chechnya. But, on the basis of standing orders, deputies will most likely only be able to share their views of current political life in the lobbies.

Committee Drafts Documents For Session

LD1008155395 Moscow INTERFAX in English 1358 GMT 10 Aug 95

[FBIS Transcribed Text] MOSCOW, Aug 10 (Interfax) — The State Duma's Legislation and Judicial Reform Committee has drafted two versions of a resolution on how to carve up constituencies. Both will be examined by a special session of the State Duma, the lower house of Russia's parliament, scheduled for Saturday. The committee's spokesperson has said one of the drafts suggests overriding the Federation Council's, or upper house's veto on the previous version of the law (for which 300 votes are required), and the other

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recommends giving the law three readings and adopting it (226 votes).

The source said the new wording of the law, just like that of the previous one, was drafted by the Central Electoral Commission, and incorporates proposals by Duma members and recommendations sent to the Central Electoral Commission by the Russian Federation's members.

The Federation Council turned down the law on constituencies because many regional leaders disagreed with the fact that the new law changed not only the borders of constituencies within regions, but in a number of regions, the number of constituencies, too.

The borders of constituencies have to be changed because the federal law on the guarantees of citizens' electoral rights requires that the number of voters in individual constituencies may differ by no more than 10%. In the 1993 election the number of voters in some constituencies differed 25%-28%.

A number of Duma members fear that if parliamentary elections in December are held under the old system, the Constitutional Court may subsequently declare them void. Such fears were prompted by the example of Kazakhstan, where the wrong carve-up of constituencies was the reason for declaring the elections void and disbanding parliament.

At the same time State Duma Speaker Ivan Rybkin believes that such fears are unjustified. He says that the fears of his colleagues who insist on making the legal basis of State Duma elections flawless are moved by the desire to do everything with 200% reliability.

The law on carving up constituencies is to be published 110 days before the elections scheduled for December 17 — in the last days of August.

Balkan Crisis To Be Added to Agenda

LD1108115895 Moscow ITAR-TASS in English 1131 GMT 11 Aug 95

[By Ivan Novikov]

[FBIS Transcribed Text] MOSCOW, August 11 (Itar-Tass) — Russia has demonstrated a constructive approach to the settlement of the crisis in the Balkans, according to Deputy Chairman of the State Duma Security Committee Viktor Mironov.

Mironov was commenting on President Boris Yeltsin's proposal to convene an international conference on Bosnia with the participation of all interested countries.

"Only the concerted efforts of the world community can put out the war fire in the region, which would otherwise engulf the whole of Europe," Mironov said.

He stressed that the lower house of the Russian parliament has repeatedly called for lifting the economic sanctions against Yugoslavia and he felt pleased that the Russian President drew the attention of other countries to this issue.

Mironov recalled that two Duma caucuses — communists and liberal democrats — intended to put on the agenda of the extraordinary plenary meeting of the house on August 12 a question about Russia's attitude to the situation which arose in the wake of Croatian aggression against the self-proclaimed republic of Serb Krajina.

"I am not sure that this initiative will win the support of a majority in the house, but if the statement drafted by the communists and liberal democrats supports the Russian President's large-scale peace initiative, I will willingly back it," Mironov said.

"Every sober-minded politician understands that the main thing now is to stop bloodshed in Bosnia and to start a business-like negotiating process," Mironov stressed.

Duma Urges Assistance for Military Industries

MM1008133395 Moscow ROSSIYSKAYA GAZETA in Russian 10 Aug 95 p 6

[Unattributed report: "At the State Duma. On the Critical State of Affairs at Military-Industrial Complex Enterprises"]

[FBIS Translated Text] Having examined the question of the critical state of affairs at military-industrial complex enterprises, the State Duma passed a resolution [postanovleniye] proposing that the president ratify the Russian Federation military doctrine by the end of 1995. It was proposed that the Russian Federation Government repay by 1 August 1995 [as published] the money owed to military-industrial complex enterprises for deliveries of arms and military hardware, and for research and development performed on state defense orders in 1994 and in the first six months of 1995, and to submit to the Russian Federation president for ratification a state program for the development of armaments, military hardware, and defense-industry potential up to the year 2010.

The State Duma proposes that the draft state defense order for 1996 should be submitted at the same time as the draft federal budget for 1996. The resolution also proposes that the government ensure the integrity

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of military-industrial complex enterprises, prevent them from being broken up in the process of privatization, and define measures to monitor movements of military-industrial complex enterprises' shares and the norms for limiting foreign investors' ownership of shares in enterprises of strategic importance to the Russian Federation. It was recommended that the draft federal law "On a Moratorium on the Privatization of Military- Industrial Complex Enterprises" be submitted for examination by the State Duma in October 1995.

The State Duma proposed that the government continue its practice of providing tax relief for military-industrial complex enterprises; elaborate a system of measures to provide social protection for military-industrial complex enterprise workers; accelerate the creation of a state conversion fund; provide funding for the 1995 conversion programs adopted by the Russian Federation Government; and adopt decisions that ensure that military-industrial complex enterprises' spare capacity is used to produce high-tech civil products.

It was deemed expedient to adopt as a priority in 1995-1996 a package of federal laws ensuring a legal basis for military- industrial complex enterprises' activity.

State Duma Orders Reform of Radio Broadcasting

MM1008144895 Moscow ROSSIYSKAYA GAZETA in Russian 10 Aug 95 p 5

[State Duma Decree No. 990-I GD signed by Speaker Rybkin; dated 14 July: "On Russian Federal Radio Broadcasting"]

[FBIS Translated Text] In connection with the need to:

maintain the high moral and esthetic standards of radio broadcasting funded out of the federal budget;

further rationalize the expenditure side of the federal budget;

improve the various forms of participation by organs of state power in the activity of television and radio companies wholly or partly financed out of federal budget funds;

end the practice of the systematic underfunding of television and radio companies out of the federal budget;

and taking account of the structural transformations taking place in federal television and radio broadcasting funded by the Russian Federation budget, the Russian Federation Federal Assembly State Duma decrees that:

1. The Russian Federation president and the Russian Federation Government shall be instructed to set up a commission to reform federal radio broadcasting (hereinafter, the Commission).

2. The Russian Federation president shall be instructed to draw the Commission members from among representatives of the Russian Federation Presidential Staff, the Russian Federation Government, and the Russian Federation Federal Assembly State Duma and Federation Council at the level of their deputy leaders or the leaders of the aforesaid organs' appropriate structural subunits.

3. The Commission shall be instructed to examine the expediency of organizing on the basis of the "Ostankino" Russian State Television and Radio Company an independent radio broadcasting company to include the radio broadcasting editorial offices of "Mayak," "Radio-1," "Yunost," and "Orfey."

4. In the course of the execution of the federal law "On the Federal Budget for 1995" the Russian Federation Government shall be instructed to channel targeted funds into the financing of federal radio broadcasting companies.

5. The Russian Federation Government and the Russian Federation Federal Assembly Federation Council shall be instructed to make provision in a separate line-item in the draft federal law "On the Federal Budget for 1996" for funds from the federal budget for the financing of the radio broadcasting company referred to in Paragraph 3 of this decree.

[Signed] I.P. Rybkin, chairman of the Russian Federation Federal Assembly State Duma

[Dated] Moscow, 14 July 1995
No. 990-I GD

Regional Affairs

Reportage on Continuing Russian-Chechen Peace Talks

Arrival Holdup Interrupts Work Again

LD1108094995 Moscow ITAR-TASS in English 0916 GMT 11 Aug 95

[By Tamara Zamyatina, Nikolay Kalintsev, and Sharip Asuyev]

[FBIS Transcribed Text] GROZNYY, August 11 (ITAR-TASS) — Experts of the bilateral Russian-Chechen commission for political questions have interrupted their work for the same reason as on Thursday: some of the Chechen experts had not been allowed to pass through Russian checkpoints guarding all entrances to Groznyy.

ITAR-TASS has learned that there is a possibility that problems of this kind will no longer hamper the

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work of the commission. A minister of the national revival government, Amadi Temishev said a one-storey building has been set apart for the Chechen delegation in eastern Groznyy. This will enable the delegation to stay in the city all the time.

Maskhadov Cites Good Ties With Romanov

LD1108093295 Moscow ITAR-TASS in English 0835 GMT 11 Aug 95

[By Tamara Zamyatina and Nikolay Kalintsev]

[FBIS Transcribed Text] GROZNYY, August 11 (ITAR-TASS) — "There are no and can be no breaches in relations between myself and the commander of the combined group of Russian troops in Chechnya, Anatoliy Romanov," said Aslan Maskhadov, Chechen co-chairman of the ad hoc supervisory commission and chief of staff of the Chechen armed forces.

Maskhadov was commenting on yesterday's differences between the two delegations to talks in Groznyy.

"Just as the Russians side, we are worried by the unsettled question of power: In many residential areas where self-defence groups are being set up in line with the agreement there exist law-enforcement agencies and it is difficult to understand whom one should obey," Maskhadov said.

"We would feel much better if the set of political questions had been decided," he said.

On Friday, Maskhadov and Romanov intend to discuss a schedule of work in two or three districts of Chechnya where they intend to bring together representatives of the federal troops and the Chechen armed groups in order to "fully set in motion the mechanism of implementation of the agreement on the set of military questions," Maskhadov said.

Dudayev, Maskhadov Differences Probed

MK1108115095 Moscow MOSKOVSKIY KOMSOMOLETS in Russian 11 Aug 95 p 1

[Article by Maksim Kustov: "Moscow's Choice Might Be a Mistake Unless This Is Dzhokhar Dudayev's Provocation"]

[FBIS Translated Text] The already confused situation in Chechnya has been made into a real puzzle by the differences between Chechen army Chief of Staff Aslan Maskhadov and President Dudayev, which have become exacerbated to an extreme in recent days. Maskhadov, who actually commanded the fighters in the course of the war, and his political leader Dudayev, are making statements that contradict one another. The day before yesterday, Maskhadov stated that he would fulfill the terms of the agreements in Groznyy "even if Dudayev himself keels over," while Dudayev is openly calling for resuming the war.

There may be several things going on. First, a conflict of temperaments. The level-headed realist Maskhadov and, to put it mildly, the extremely emotional Dudayev simply cannot understand each other, as they assess what is happening in fundamentally different ways. Second, a classic power struggle between a military man and a politician and squabbling about who's master of the house? It is no secret that when military actions were on, when Maskhadov was really fighting while Dudayev was making resounding statements, Maskhadov's popularity soared. Third, losing hope of controlling Chechnya with the aid of Messrs. Khadzhiyev and Gantemirov and their none too numerous supporters, and not wishing to see Khasbulatov in Chechnya, Moscow has gambled on Maskhadov, paradoxical as it may appear at first sight. But why not try to reach an agreement with yesterday's enemy who is capable of assessing the situation? When all is said and done, few in Chechnya doubt that without serious economic links with Russia, the most independent republic in the world is doomed to a very unenviable life. Some other very unexpected guesses about the feud going on at the top in Chechnya are also possible.

The most sensational of them was brought to Moscow by human rights activist Anatoliy Shabad following yet another meeting with Dudayev. He told yesterday's press conference that "Dudayev and Maskhadov are not engaged in differences, but in assigning the parts of the actors." Well, this ploy is well known. The "mean" investigator issues threats, the "kind" one sympathetically calms down and restrains the "mean" one. In real fact, they are playing as a team.

The first question to be asked is — if there are no differences between Dudayev and Maskhadov and if what we have is a comedy played out for Moscow with the parts assigned beforehand — how come this secret information became available to the Russian deputy? Who gave it to him? Or perhaps someone did want the version about stage-managed differences between Dudayev and Maskhadov to be heard in a press conference in Moscow and to hit the media?

But whatever the intricacies of the oriental smile-and-dagger policy, one thing remains indisputable — the federal troops at the moment have ended up hostages to these gambles. Dudayev's detachments, which absolutely legally pulled out of an encirclement, have now in fact encircled the Russian military units and are in an even better situation than they were in December 1994. A resumption of large-scale military actions will

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inevitably mean very heavy losses for our troops. For Russia this is, perhaps, the most important factor in what is happening, which should be taken into account first and foremost.

Moscow Seen Grooming Maskhadov To Lead

MK1108065095 Moscow SEGODNYA in Russian 10 Aug 95 p 1

[Report by Mikhail Leontyev: "Our Man in the Chechen Village?"]

[FBIS Translated Text] Formerly it was Chechen rebels who fired at Russian checkpoints in Groznyy at night, something that, in principle, was not at all surprising. Now, as the peace process goes on, the checkpoints are being stoned by peaceful civilians. In daylight. The Caucasus, and Chechnya in particular, despises weakness and respects strength. So-called peacemaking efforts, particularly in the context of the circumstances leading up to the talks, are invariably perceived as follows: Once you give way, you can be pressed further; you give way more, and you can be pressed to the end and trampled in the mud.

From the point of view of those advocating a solution based on force, the post-Budennovsk policy of the Russian authorities in Chechnya looks like high treason. An offensive was stopped short with two or three weeks to go before the final defeat of Dudayev's "regular" forces: The Army is virtually unanimous in thinking that "its victory has been stolen."

An amnesty for Chechen rebels, continuing violations of the truce accord, the redeployment of Chechen forces and the procurement of additional weapons for them: All this can only be interpreted by the "power" agencies as ignominious surrender.

The critics of the Chechen war, those advocating peace at any price, to say nothing of all sorts of exalted figures simply sympathizing with "the struggle of the Chechen people for freedom," see the situation in a similar light, but with a diametrically opposed conclusion, namely, as their victory and a defeat of the "party of war." These viewpoints actually make up "the first theory" of Russian policy in Chechnya, which is based on the fairly evident goings-on visible to outsiders.

The "first theory" is as simple as bellowing. This is precisely how Russia's official policy in Chechnya looks: First everybody should be slaughtered left and right, using any means available, quashed by our might and decisiveness, all army units that still retain at least a modicum of battleworthiness should be hastily rushed to Chechnya by military transport flights.... Then, suddenly jumping at the most "inappropriate" pretext, a successful offensive that is already entering its final stage should be stopped; bowing to the diktat of a bandit who killed a hundred innocent civilians at a stroke, talks should be started with those who have just been declared unqualified for negotiations. Then we begin — with our own hands — creating, not even helping retain, a political image for an enemy who was about to be crushed, declaring amnesties and signing joint protocols with persons wanted in all of Russia. The first theory, without doubt, does correspond to reality, which, as a matter of fact, can be seen with the naked eye, but reality does not limit itself to it. Or, rather, it does limit itself to this theory in the eyes of members of the "party of fools" (so labeled by Mr. Volskiy), regardless of which of the two types of action described above by its various representatives, including Mr. Volskiy himself, are given preference. One has to be utterly misanthropic, however, to see all actions of the Russian side exclusively in the context of the "party of fools." It appears possible to presume more complex goals at least behind the actions of some government authorities, even if this does not rule out actions under the "first option" by other figures.

The second theory. One may chase every Chechen in basements and gorges indefinitely, keep military forces in Chechnya capable of controlling every crossroads at least in daylight, but this would achieve little. I expect that the longer the Russian Army stays in Chechnya without specific prospects for establishing any stable order that does not need curfews, the more problems Russia will face. Using Messrs. Avturkhanov or Khadzhiyev for this purpose would seem impossible — this will not change the situation, as they are considered to be Russian pawns. One does not need a lively imagination to realize that only a person "from the other side" who has sufficient power and authority to be able to keep order inside Chechnya will be suitable for the role of stable satellite. This person should not be Moscow's pawn; he should be relatively strong at least by comparison with other Chechen "authorities" — and what's more, he should be seen as Chechnya's "rescuer" from Russia. Finally, this person should understand that he cannot control the situation in Chechnya without Russia for a long period of time. This is not a Russian discovery; this option has long been tested in colonial (particularly, British) practice.

Both candidates who presently have a chance to win Chechen elections — Khasbulatov and Dudayev — are unacceptable to the Russian authorities. Therefore, the only person capable of taking up this job is Aslan Maskhadov, Chechen chief of staff. If this is really so, then all details of Russian policy of the past few months fall neatly into place.

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The offensive has been stopped; why deal a lethal blow at Maskhadov's forces if he will need them in the future to establish his control inside Chechnya? Then, aided by sophisticated negotiations, an image of a politician and diplomat resolutely advocating the "Chechen" stance emerges. The overzealous prosecutor Imayev — a general without an army — is sidelined. The Russian side "makes an image" for "General Maskhadov," "an honest old campaigner," with whom one can quickly find common language (the assessments of Generals Kulikov and Rodionov). The next stage is to distance Maskhadov from the insane Dudayev, to be crowned with a public demonstration of who is really in control of the main rebel force.

The possible "second option" is not the most unconventional, but a fairly reasonable plan that, unlike the first one, at least holds out some prospects for a settlement. In the particular case of Russia, however, this option has serious drawbacks that call into question not only its final success, but also the very safety of using it. In the "British case," the mother country acted in this game as a subject with a single will; its policy did not waver by bowing to various forces or the pressure of the enemy. In the Russian case it is not so much Chechen, but, rather, Russian territory that may become the potential playing field. It will be very difficult, for instance, to explain to Russian soldiers and officers that they shed their blood so that Mr. Dudayev could be replaced by Mr. Maskhadov.

Finally, it is plainly evident that this option is utterly cynical. A weak authority cannot overstep a certain limit of public cynicism without exposing itself to a serious risk.

Khadzhiyev Team Joins Negotiations

LD1008201195 Moscow INTERFAX in English 1917 GMT 10 Aug 95

[FBIS Transcribed Text] GROZNYY, Aug 10 (INTERFAX) — Salambek Khadzhiyev, chairman of the Chechen National Revival Government, told the delegation of his government to act jointly with Dzhokhar Dudayev's representatives in the talks with federal authorities on political issues. Khadzhiyev told INTERFAX that he had signed a letter to this effect Thursday.

In Khadzhiyev's words, a team of his government's experts has been formed that will discuss the future Chechnya-Russia relations with Dudayev's men and federal officials.

"We have no differences with Dudayev's officials on Chechnya's sovereignty. What we differ on is the methods of winning the independence," Khadzhiyev explained.

In response to INTERFAX's question, Khadzhiyev said that he does not know what Dudayev's officials think about the National Revival Government participation in the negotiating process. "The way they treat our proposals will show how realistically they evaluate the situation," he said.

Khadzhiyev said that his delegation did not discuss the military agreement because his government had not been involved in the war.

He said that parliamentary elections in Chechnya should be held as scheduled by his government, on November 5, 1995. "We are prepared to have them sooner but by no means later," Khadzhiyev said.

Russian President Boris Yeltsin mentioned recently the possibility of putting the elections off to the first half of 1996.

Chechens Protest Khadzhiyev Delegation

LD1008120695 Moscow ITAR-TASS World Service in Russian 1053 GMT 10 Aug 95

[By Tamara Zamyatina, Nikolay Kalintsev, and Sharip Asuyev]

[FBIS Translated Text] Groznyy, 10 Aug (ITAR-TASS) — "Representatives of the National Rebirth Government or the National Accord Committee cannot take part in the Groznyy talks even when the talks are held at the level of experts," Khozh-Akhmed Yarikhanov, the head of the Chechen delegation, told ITAR-TASS today.

"These are not trilateral but bilateral talks and this is stated in the delegations' mandates. I have a mandate for talks with a government delegation of the Russian Federation. I am not empowered to hold talks with either the National Rebirth Government or the National Accord Committee," Yarikhanov said. He did not say, however, that outside the talks the Russian side cannot consult either the National Accord Committee or the National Rebirth Government. He even agreed that Salambek Khadzhiyev and Umar Avturkhanov are included in the Russian delegation.

Dudayev Will Not Offer Concessions

LD1008144095 Moscow ITAR-TASS in English 1406 GMT 10 Aug 95

[By Ivan Novikov]

[FBIS Transcribed Text] MOSCOW, August 10 (ITAR-TASS) — Chechen rebel leader Dzhokhar Dudayev will never accept his republic as part of Russia, Russian lawmaker Anatoliy Shabad told a news conference here today. Shabad recently met Dudayev in a Chechen mountainous village.

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"We spoke through the night, and I am convinced that it is unthinkable to expect Chechnya [to] recognise itself within the Russian Federation," Shabad said.

Dudayev's only concession to Russia could be his agreement to establish military cooperation with Moscow, the legislator said.

The dismissal of former Chechen chief negotiator Usman Imayev can be explained particularly by his readiness to agree that Chechnya's special status could be considered after elections.

Members of the Chechen Defence Council "told Imayev that he was a traitor," Shabad quoted Dudayev as saying.

Some field commanders bitterly opposed the negotiated compromise, the MP said adding that "no one is going to fulfil a clause in the agreement under which the Chechen side is obliged to assist (the Russians) in tracking down Shamil Basayev", a terrorist who masterminded a deadly attack on the southern Russian city of Budennovsk in June killing over 100 people.

Shabad said there was disagreement between Dudayev and his military commander Aslan Maskhadov, primarily over the presence of Russian troops in Chechnya. Unlike Dudayev, Maskhadov considers it admissible.

In a decree issued after the end of negotiations on the military package, Dudayev cancelled this point, according to Shabad.

"Russia lost the war in Chechnya," he said. If force is to be used once again to solve the problem, "the Chechen territory needs to be conquered once again, according to the Russian lawmaker.

Speaking about "militia units" being formed in Chechnya, Shabab said many of their members had been engaged in fighting. "I recognised many of those whom I had seen before," Shabad said.

Mikhaylov: Chechens Not Fulfilling Deal

LD1008123995 Moscow ITAR-TASS in English 1223 GMT 10 Aug 95

[By Gennadiy Yezhov]

[FBIS Transcribed Text] Moscow, August 10 (ITAR-TASS) — The Chechen side has not embarked on the implementation of the agreement on the set of military issues in full measure, the agreement that was signed by the Russian Government delegation and Dzhokhar Dudayev's representatives at the negotiations in Groznyy. Vyacheslav Mikhaylov, Chief of the Russian delegation, Minister for Nationalities and Regional Policy [title as received], said this to ITAR-TASS on Thursday.

The Chechen side has failed to supply the list of prisoners and persons forcibly detained by Chechen gunmen and the chart of mines placed by Dudayev supporters.

Mikhaylov plans shortly to fly to Groznyy to sort out causes for the delays in the implementation of the agreement on the set of military issues which envisage, specifically, ceasefire and the withdrawal of the bulk of the contingent of Russian troops, simultaneously with the disarmament of illegal Chechen formations.

As to terms for disarmament and storage of surrendered arms, Mikhaylov said this process should be supervised and guaranteed by a special commission of observers which should include plenipotentiary representative of the Russian President in Chechnya and representatives of armed Chechen units.

Plenipotentiary representative of the Russian President in the Chechen Republic will shortly be named, Mikhaylov said. Most probably the Minister will soon fly to Groznyy together with the plenipotentiary representative who is to be appointed by a presidential decree. Mikhaylov did not say if present chief of the Russian Security Council Oleg Lobov will become the plenipotentiary presidential representative. He said the new appointment will soon be announced by Presidential structures.

Several working groups for the Chechen settlement and fulfilment of the agreement on the set of military issues now function in Groznyy, Mikhaylov said. However, the presence of the delegation's leaders is necesary as there is not enough progress in the implementation of the agreement, he said.

Chechens Accused of Mocking Acccord

LD1008164495 Moscow ITAR-TASS in English 1618 GMT 10 Aug 95

[By Tamara Zamyatina and Nikolay Kalintsev]

[FBIS Transcribed Text] GROZNYY August 10 (ITAR-TASS) — The command of federal troops in Chechnya today issued a statement of protest, saying that the Chechen side flouted provisions of July 30 military agreement.

The statement, which was passed to the Chechen delegation to the peace talks, says, "The decree of Dzhokhar Dudayev does not sanction disarmament of illegal armed formations which are not envisioned the Russian Law on Defence of the Russian Federation".

"Representatives of the Chechen delegation are making unwarranted statements during meetings with the population of residential areas that the illegal armed forma-

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tions are to be legalised into militia units. This may later lead to pressures on citizens of the Chechen Republic, and will put the (scheduled) democratic elections at risk of failure," the statement says.

Commander of federal forces in Chechnya Lieutenant-General Anatoliy Romanov said in an interview with ITAR-TASS that armed Chechen fighters were coming to many Chechnya's towns and villages.

Romanov said this was a bid to set up a situation which might lead to armed clashes.

"We inform field commanders that federal authorities won't allow armed persons without the right of arm carrying to go in the streets, and will take measures to disarm them," Romanov said.

He accused the Chechen side of aborting an exchange of maps of locations of Chechen fighters and federal troops.

The command of federal troops was ready to turn over their maps to Chechens on July 30, in addition to a list of Chechens detained in Russia which the Russian delegation had provided to the Chechen delegation earlier.

However, the Chechen delegation is withholding both the maps and lists of Russian prisoners, and is eluding the exchange of prisoners, Romanov said.

He said the Chechen side took no real efforts to find out whereabouts of Russian POWs.

The Chechen delegation claimed in a statement which it presented to the Russians in early hours of Thursday that the Russian artillery was shelling Chechen villages with hard steel plugs, or shot shells.

Romanov denied the shellings with "mythical" shot shells.

He said the Russian command offered to station Chechen observers and delegates of the Groznyy mission of the Organisation for Security and Cooperation in Europe (OSCE) at the command point of the Russian regiment which is deployed near the accommodation site of the Chechen delegation.

"As for the demand to accommodate the Chechen delegation in one of operating hospitals, the demand of this sort is at least unethical in the aftermath of Budennovsk (events). Another site will be considered for accommodating the delegation," the commander said.

The command's statement answered other questions of the Chechen delegation which Romanov said were found satisfactory.

Expert groups of the Russian-Chechen commission for political issues resumed work at the Groznyy headquarters of the OSCE at 15:00 Moscow time today.

Romanov stressed that to consolidate Chechen trust in the agreement, federal troops began to withdraw from residential areas in a unilateral move.

Chechens Protest Moscow Tactics at Talks

AU1008124495 Paris AFP in English 1227 GMT 10 Aug 95

[FBIS Transcribed Text] Moscow, Aug 10 (AFP) — Chechen separatists suspended peace talks with a Russian delegation in Groznyy, accusing Moscow of not adhering to an accord on exchanging prisoners, Russian ORT televison reported Thursday [10 August].

Chechen delegation head Akhmed Yerikhanov, who took over from Usman Imayev on August 1, sent a protest note to the Russian forces command in Chechnya saying talks would be suspended until Russia replied to the note, the television said.

The talks had been due to resume Thursday after a two-day break.

The protest note, seen by AFP in Groznyy, said "the Russian side is not adhering to the (July 30) military accord, especially with regard to the exchange of prisoners."

"Federal troops continue to threaten the use of force," the note said, adding that Russian authorities in the Chechen capital were preventing members of the separatist delegation from moving around freely in the city.

The prisoner exchange failed to take place again Wednesday after being postponed Monday and Tuesday due to discrepancies in the number of people held by each side.

Reportage on Chechen Accord Implementation, Conflict

Maskhadov Updates POW List to 10

LD1108093795 Moscow ITAR-TASS in English 0839 GMT 11 Aug 95

[By Tamara Zamyatina and Nikolay Kalintsev]

[FBIS Transcribed Text] GROZNYY, August 11 (ITAR-TASS) — Chief of Staff of the Chechen troops Aslan Maskhadov told ITAR-TASS that he had a list of only 10 Russian prisoners as of Friday morning.

As was earlier reported, the Chechen delegation handed over a list of five Russian prisoners to Russian representatives during the negotiations in Groznyy.

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Chechen representatives will officially present a list of the other captives to the Russian delegation within two days, Maskhadov said.

AFP Briefed on POW Exchange Dispute

AU1108085395 Paris AFP in English 0835 GMT 11 Aug 95

[FBIS Transcribed Text] Groznyy, Russia, Aug 11 (AFP) — The chief Russian representative at talks on prisoner releases, Colonel Vladimir Ivanov, said Friday [11 August] he had given Chechen separatists details about more than 90 captured Russian soldiers but the Chechens had presented a list of only five.

The dispute over the number of prisoners held by each side has held up implementation of a Russian-Chechen military accord signed on July 30. Military delegations from both sides resumed talks Friday, with Russian chief negotiator Vyacheslav Mikhaylov expected to join in later.

The delegations met at the Russian military headquarters in Khankala on the edge of Groznyy, instead of the mission of the Organisation for Security and Cooperation in Europe (OSCE), where the military accord was brokered.

"The Chechen side officially presented a list of five prisoners, but according to our information they are holding more than 90," Ivanov said. "We have met soldiers' mothers, and some freed prisoners also gave us information about the captives."

"We have also compiled a list of more than 220 missing Russian soldiers. I have told the Red Cross that of course most of that category are dead," Ivanov told AFP.

He said the Russian side had given the Chechen separatists the approximate locations of where they believe the Russians were captured, and "the Chechen delegation Thursday asked for a few days to study the problem in more detail."

"I went to Vedeno district (in southeastern Chechnya) and found more than 20 Russians held captive, but the Chechen fighters will not give us their names," he said.

According to Ivanov, the ordinary Chechen fighters said they needed to get permission from their commanders before giving the prisoners' names.

The Chechen delegation Thursday presented a list of 1,308 missing Chechens and "detailed work is required to establish where they all are," Ivanov said.

He denied that so-called Russian "filtration camps" existed.

"There is one filtration point in Groznyy where about 30 Chechens are being held. The other prisoners have been transferred to prisons elsewhere in Russia. Some are even being held in Khabarovsk (in the Far East)," he said.

Under the military accord, a complete exchange of prisoners held by each side was to have taken place by August 7. A shaky ceasefire went into effect on June 20.

Ivanov said the Russian delegation had urged the Chechens to stop their fighters bringing weapons into Groznyy.

"If people return home armed they should leave their weapons at home — in a shed or under the bed, whatever, while a schedule is worked out for handing them over," he said.

Chechens who had bought their own weapons and handed them in would be compensated "at the market rate," Ivanov said.

"But so far the Chechens have surrendered only one assault rifle," he added. "This is a very delicate issue and people are reluctant to go along with it."

The military accord stipulates that self-defence units of up to 25 men will be established in Chechen villages as the fighters give up their weapons.

Meanwhile, the Russian forces are to begin withdrawing, eventually leaving only one brigade of interior ministry troops and one motorised brigade of federal army troops in Chechnya.

Thousands of Russian troops poured into the small Caucasus republic on December 11 to crush a three-year independence bid led by Dzhokhar Dudayev.

According to various estimates, between 15,000 and 30,000 people have died in the war, mostly civilians.

Moscow Protests Armed Groups in Villages

LD1108074995 Moscow Mayak Radio Network in Russian 0700 GMT 11 Aug 95

[FBIS Translated Text] The command of the joint group of federal forces in Chechnya has issued a protest over the distortion by the Chechen side of the provisions of the agreement on a peaceful settlement of the conflict in the Chechen republic.

A statement, given to the Chechen delegation, says: Dzhokhar Dudayev's order does not provide for disarming the illegal armed groups that are banned by the law on the defense of the Russian Federation.

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Representatives of the Chechen delegation meeting the local population make statements to the effect that the illegal armed groups should become legalized as self-defense units. Such statements are groundless. This can, as a consequence, lead to physical pressure on the Chechen Republic's citizens and jeopardize the holding of democratic elections.

The Commander of the joint group of federal forces in Chechnya Romanov told the ITAR-TASS news agency that the Russian delegation views the appearance of armed individuals in numerous villages as an attempt to create a situation that may lead to armed conflicts.

We inform the commanders that the federal authorities will not allow armed individuals to appear on the streets if they have no licences to carry arms, emphasized the general.

Kvashnin Proposes Russian Withdrawal

LD1008191295 Moscow INTERFAX in English 1640 GMT 10 Aug 95

[FBIS Transcribed Text] GROZNYY, Aug 10 (INTERFAX) — Commander of the North Caucasian Military District Anatoliy Kvashnin has proposed that federal troops unilaterally be pulled out from Chechen settlements and that Russian checkpoints be taken away.

The general on Thursday, at talks in Groznyy, advanced these and other proposals for fulfilling the military agreement signed on July 30, Colonel Yakov Firsov, the District's press secretary, told INTERFAX.

According to him, the mechanism suggested by Kvashnin for fulfilling the agreement, "is completely based on the principle on mutual confidence."

Such measures, believes Kvashnin, will help the Chechen population "feel trust in the steps being made to implement the military agreement," said the press secretary.

He said that people remain to afraid to disarm. The commander proposed that those holding fire arms keep them at home for a while, but be forbidden to carry them in the streets.

The commander's initiative, according to the press secretary, was received "with approval" by the Chechen delegation.

Official Says Civil War Possible

LD1108092795 Moscow ITAR-TASS in English 0846 GMT 11 Aug 95

[By Tamara Zamyatina, Nikolay Kalintsev, Sharip Asuyev]

[FBIS Transcribed Text] GROZNYY, August 11 (ITAR-TASS) — "Civil war in Chechnya is possible now as never before," said Umar Avturkhanov, chairman of the national concord committee. "There will be more victims than in the war just over," if civil war is not averted in the republic, Avturkhanov said during his appearance on Groznyy television on Thursday night.

Avturkhanov was critical of the mechanism of implementation of the agreement on military questions which was signed as a result of talks in Groznyy.

According to him, militants "are busy setting up self-defence groups and electing administration heads." This will inevitably lead to new confrontation since most residential centres already have local leaders appointed by the national revival government of Chechnya.

Avturkhanov said the republic needed not new armed groups but elections more than anything else at present.

As concerns the negotiating process under way in Groznyy, Avturkhanov announced that he had already expressed official protest against the resumption of dialogue relating to political problems. "Unless the set of military problems is fully resolved, one should not switch to political matters," he stressed.

Naumov: Situation Worsening Sharply

LD1008131795 Moscow INTERFAX in English 1146 GMT 10 Aug 95

[FBIS Transcribed Text] GROZNYY, Aug 10 (INTERFAX) — Russian troops' positions in Chechnya were fired on 17 times last night, a spokesman for the federal command in Chechnya has said. The attacks were in the villages of Shatoy, Goyty and some districts of Groznyy. "There were no casualties among Russian troops," he said.

Meanwhile, Russian troops commander in Chechnya Colonel-General Aleksandr Naumov said in an interview Thursday that the Chechen side had failed to abide by its commitments included in the package of military agreements signed on July 30.

Naumov said that the situation in Chechnya had worsened dramatically over the past few days. The militants have left the mountains and put under control most lowland communities. They have been trying to establish their own bodies of power and dictate their own rules.

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Naumov said major groups of militants had been spotted in Shali, Shatoy Achkhoy-Martan and Urus-Martan. Federal troops have reinforced roadblocks in the foothills to prevent militants from moving from mountain areas to plains.

Naumov is critical of Chechnya's government of national revival: "This government is doing nothing. In districts local residents do not know whom they can ask for help and who is the legal authority."

Shabad Cited on Meeting With Dudayev

LD1008213195 Moscow Russian Television Network in Russian 1900 GMT 10 Aug 95

[Video report by correspondent A. Pishayev, including recorded comments by Anatoliy Shabad, russian state duma deputy; from the "Vesti" newscast]

[FBIS Translated Excerpt] State Duma Deputy Anatoliy Shabad had a meeting with Dzhokhar Dudayev during the night of 8-9 August in one of the Chechen villages. The talks lasted more than seven hours. Today Shabad answered journalists' questions.

[Pishchayev] Dudayev will never accept his republic as part of Russia — this was the conclusion reached by Deputy Anatoliy Shabad after his meeting with the Chechen leader. [passage omitted]

During the same meeting, Shabad said, Dudayev yet again alluded to possible terrorist acts.

[Shabad] He alluded to his involvement in several explosions in Moscow. He mentioned — I have heard nothing about this — the explosion of a bridge across the Yauza River near Moscow and the fire at the Foreign Affairs Ministry. But this was not the most alarming thing for me, but his threat of uniting with the most reactionary and fascist forces in Russia. [passage omitted]

Dudayev Seen Using Peace 'To Regroup'

MM1108091295 Moscow ROSSIYSKAYA GAZETA in Russian 11 Aug 95 p 2

[Report by Vladimir Yanchenkov: "Dudayev 'Flexing' Muscles" — quotation marks as published]

[FBIS Translated Text] Groznyy — At a field commanders' conference 8 August, Dzhokhar Dudayev ordered all subunits and units to penetrate Chechen cities and villages, whip up the populace, and, with their help, surround and destroy the federal troops and all Russians to the last man. Orders are orders, even if they are criminal, and they echoed that day in the rumble of gunfire on the outskirts of Zavodskoy Rayon.

Hearing automatic fire, a group of soldiers headed by a company commander left their unit to reconnoiter. They had hardly gone 10 meters before there was an explosion — the servicemen had stumbled onto a tripwire that had only just been laid. Two men were killed — one the officer — and a third servicemen is in the hospital in serious condition.

In a number of population centers the Dudayevists are maneuvering with tanks and armored vehicles, "flexing their muscles" and provoking the federal troops.

Lieutenant General Anatoliy Romanov, commander of the joint grouping of federal troops in Chechnya, has ordered units and subunits onto full combat alert.

At a meeting with Aslan Maskhadov, chief of the Dudayevist armed formations' main staff, Anatoliy Romanov demanded an end to the provocations. In the event of a resumption of hostilities, he stressed, there would inevitably be enormous losses among the civilian population, since the gunmen usually cluster in cities and villages, using women, old men, and children as their shield.

Maskhadov expressed doubt yet again as to the reality of the Dudayev statements.

By preparing for hostilities, the Dudayev side intends to delay the process of a peaceful settlement of the conflict. In conversation with this ROSSIYSKAYA GAZETA correspondent the commander of the joint grouping of federal troops said that the peace settlement process runs the risk of being undermined.

"August 7," the general stressed, "marked the end of the week that was allowed by agreement for completing the exchange of forcibly detained persons. But how can there by any question of an exchange if the Chechen side has received from the joint grouping of federal troops a list of 1,325 people but has so far made no response itself?

"First the Chechen side claimed that they had a list of just five people. Following a protest from me, it announced a new list — of seven people this time.

The command of the joint grouping of federal troops has convincing information to the effect that the Dudayev side is forcibly detaining large numbers of Russian POW's. Officers from the federal troops saw this for themselves when they visited mountain population centers together with Dudayevist representatives.

The Dudayev side's position shows a reluctance to carry out its commitments. The negotiations and the peace interval have been used by Dudayev and his supporters to regroup. Now instead of peace, shots are being fired and people are being killed once again.

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Bomb Defused at Federal Command

LD1108094495 Moscow ITAR-TASS in English 0902 GMT 11 Aug 95

[By Tamara Zamyatina and Nikolay Kalintsev]

[FBIS Transcribed Text] GROZNYY, August 11 (ITAR-TASS) — A home-made explosive devise was planted by Dudayev militants at a point 400 metres away from the command point of the combined group of federal forces in Chechnya.

The sappers who defused the bomb on Friday morning said its explosion would be devastating. Russian forces commander Anatoliy Romanov told ITAR-TASS that the booby trap contained 20 kilogram of TNT and five kilograms of nails.

This is not the first case of planting mines on the roads leading to Groznyy's suburb of Khankale where the command point is located. Booby traps have been planted near other military settlements in Chechnya also after the agreement on military questions was signed.

On Wednesday, a group of interior troops led by senior lieutenant Albert Lisin hit a booby trap. The explosion killed the group commander and a soldier and wounded three others.

Arms Flow Into Chechnya Assessed

954F3035A Moscow ARGUMENTY I FAKTY in Russian No. 32, Aug 95 p 7

[Article by Yuriy Smolin: "Where Are the Cartridges in Chechnya Coming From?"]

[FBIS Translated Text] I have in front of me a pile of documents, as well as various memos on the quantity and types of armaments left on the territory of Chechnya after the last Russian military units were withdrawn from there in 1992. The figures in them are impressive. Shaposhnikov and Grachev gave Dudayev a "gift" of 42 tanks, 36 infantry fighting vehicles, 523 hand-held grenade launchers, 18,832 submachine guns, and numerous other deadly "toys."

Still, in the opinion of specialists, these armaments (especially the munitions) clearly are not sufficient for large-scale protracted warfare. What then are the commandos' other additional supply channels?

Naturally, the answer is self-evident—the warehouse. But the Ministry of Defense swears that practically everything is accounted for. And what is not is such a pittance, they say, that it is not worth talking about. And they nod at the border: This is where all the trouble comes from — weapons flow from across in an unending stream.

Of course, the old "iron curtain" no longer hangs over the border. Small consignments of arms do get through. But these are mere drops in the sea of armaments.

Warfare in Chechnya, and this is acknowledged by everybody, is being conducted with our own Kalashnikovs, not Israeli Uzis. Among the arms captured by federal troops, very few are of foreign make. But there are plenty of submachine guns and handguns bearing serial numbers previously on record in the armaments registries of Russian military units in the Transcaucasus.

Gladyshev Accuses

Major General Vladimir Gladyshev is a paratrooper. Last year his formation was named the best in the ground forces, and one of the regiments—the best in all the Armed Forces. Then suddenly the division commander was sacked. What for?

Here is what for—for the first time a Russian general publicly, in IZVESTIYA, accused his immediate superiors of corruption. For instance, Gladyshev said that Fedor Reut, commander of the Russian Group of Forces in the Transcaucasus, is involved in selling arms and other unseemly business, which makes him unfit not only to command a group of forces but even to be called a Russian officer.

As is known, in the Transcaucasus, arms trading has become a national sport. And Fedor Reut, commander of the Russian Group of Forces in the Transcaucasus, has undoubtedly set "records" in this sport. Remember the explosion of a division munitions depot in the Balaovit settlement near Yerevan? The losses were counted in the billions. But to make up for this explosion Armenia was given so many cartridges and shells that it still had a surplus. And keep in mind that a submachine gun cartridge can fetch between 3,000 and 10,000 rubles [R] in a "hot spot." An explosive projectile costs much more. For instance, a Grad missile costs at least $500.

And to whom were the equipment and armaments of the 7th Guard general-purpose army sold? Some day investigators will question its former army commander about this too. I do not know what Reut will say during the interrogation, but his former subordinates could tell a lot during confrontations. For instance, about the leasing out of a helicopter wing subordinated to him.

Bloody Business

In the spring of 1992 Reut was mainly supplying Armenians with armaments and munitions. And when he was promoted from Yerevan to Tbilisi, he began to sell equipment and armaments to Georgians. For instance, through General Nadibaidze, Georgia's current minister of defense and at the time deputy commander

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for armaments of Russian forces in the Transcaucasus, the arsenal of the 100th Guard motorized rifle division was transferred to Kitovani brigades. Some of these arms and munitions were later sold to Chechnya. In this deal an active role was played by another deputy commander of the Russian forces stationed in the Transcaucasus, Lieutenant General Sufiyan Beppayev—by the way, a close friend of Dudayev. He is now retired. But still actively supports Dudayevites from Kabardino-Balkaria, where he currently lives. Competent organs are aware of this. An intercept of a conversation between Beppayev and Dudayev on the subject of organizing aid and coordinated actions was even published in KRASNAYA ZVEZDA.

Arms were sold to Azerbaijanis as well. For instance, Suret Guseynov's people were armed to the teeth with the help of the Gyandzhi paratroop division. Armaments and munitions were being carried by the truckload out of military district warehouses in Azerbaijan: On 23 February 1992 a munitions warehouse in the city of Agdam was surrendered to Azerbaijani commandos without resistance. It contained 728 railcars of artillery shells and 245 railcars of Grad missiles. Remember, just one of these deadly "toys" costs $500. How many of them are there in a railcar?

In addition, there were 131 railcars with cartridges. All in all, 1,100 cars with munitions were stolen from the Agdam warehouse. None of the generals lifted a finger to stop the plunder of military property. They knew that, as always, they would get away with it.

Gladyshev did not want to put up with it, so he was disposed of. He was not forgiven for stopping the plunder of the military property of the 31st corps: coming to Kutaisi from Batumi with a tank unit and a missile division and stopping the plunder.

The Price of Arms Is Rising, the Price of Life Is Falling

Right now, arms and munitions traders are circling around warehouses in the Dniester area and Ajaria like foxes around a hen house. Therefore, any provocations can be expected in these places, which is cause for concern not only to the military but also the local authorities. For instance, Ajarian Supreme Council Chairman Aslan Abashidze did not hide his anxiety in a conversation with me:

"The knowledge that our autonomous republic remains the only corner untouched by war, a place of peace and calm, disturbs the sleep of enemies of Ajaria. Considerable credit for this goes to the Russian military, in particular the 12th military base commander, Major General Vladimir Gladyshev.

"He had under his command 14 military bases and numerous armaments, munitions, and combat equipment warehouses on the territory of Ajaria. Unlike other places in the Transcaucasus, all of this was intact and accounted for. Apparently some people are dying to use all these goodies for their own profit. Do not forget that over the past few years about 7,000 criminals have been released from prisons in Georgia. Many of them are eager to get arms. All that is needed is an excuse for the bandits, instigated by patrons in high places, to rush into Ajaria under the pretext of 'national interests.'"

Further on N. Ossetian, Ingush Refugee Negotiations

LD1008161995 Moscow INTERFAX in English 1358 GMT 10 Aug 95

[FBIS Transcribed Text] NAZRAN, Aug 10 (INTERFAX) — On Thursday in Nazran, a working commission of North Ossetia's and Ingushetia's government delegations continued its work on draft documents on joint measures aimed at implementing the Russian president's decrees on the liquidation of consequences of the Ossetian-Ingush conflict.

As our INTERFAX correspondent reports from Nazran, it is expected that on Friday the parties will sign a document on the principles of refugees' return to North Ossetia's Prigorodnyy region. The Ingush left it during the armed Ossetian-Ingush conflict in the fall of 1992. The document proposes to determine the terms of refugees' return and the issue of their security.

On Wednesday Ingushetia's and North Ossetia's Justice Ministers signed a plan of joint measures in the framework of the agreement between the presidents of two republics concluded on July 11. The plan, in particular, provides for adopting measures to prevent activities of public movements leading to enmity and clashes between citizens of different nationalities, and provides for bringing criminal charges against those who adhere to the traditions of blood feud.

In a Thursday interview with INTERFAX Ingushetia's Justice Minister Movlat-Girey Dzagiyev declared that these measures are primarily aimed "at recovering the moral and psychological climate in the conflict zone." In his words, the "creation of the climate of national tolerance will be a guarantor of security for the returning refugees."

North Ossetia's Justice Minister Aleksandr Tsaliyev reported to INTERFAX that in the near future the Interior Ministries of two republics will sign a document on ensuring the security of the returning people.

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Earlier Ingushetia's and North Ossetia's prosecutors signed a plan of joint measures.

Chernomyrdin Speaks at Krasnogorsk 'Home' Meeting

MM1008184695 Moscow ROSSIYSKAYA GAZETA in Russian 10 Aug 95 p 2

[Report by Aleksandr Batygin and Andrey Shcherbakov under "Routes to Power" rubric: "You Won't Get Very Far With 'Isms' in the Future"]

[FBIS Translated Text] A conference of the Moscow Oblast movement of "Russia Is Our Home" has taken place in Krasnogorsk.

This coming Saturday [12 August] at its second congress "Russia Is Our Home" will consider questions regarding Russia's economic situation, the movement's organizational and ideological work, and the tasks during the election campaign period. The movement's program and election platform will be submitted for discussion at the congress. But for the time being in Krasnogorsk both the leader of "Russia Is Our Home" and those who spoke in the debates again assessed what has already been done and discussed what they see as the future tasks of the movement, which already has solid support in all strata of the population.

Despite its youth "Russia Is Our Home" has, according to sociologists' data, already reached second place in terms of popularity and can now count on 20 percent of voters' votes.

A. Tyazhlov, head of Moscow Oblast Administration, who opened the conference, stated that too much has been "destroyed in our history" in the period of "romantic democratism." Therefore "Russia Is Our Home" must be a movement that stands for the revival of the great power and the election campaign must be regarded as an element of its activity.

Russian Government Chairman Viktor Chernomyrdin, the leader of "Russia Is Our Home," then took the floor.

Assessing the situation in the country, he stressed: Russia is getting out of the crisis, albeit slowly. It is ceasing simply to survive and is starting to build and construct. That is why continuity in politics is so essential, above all to strengthen the democratic foundations of Russian statehood.

Speaking about relations between "Russia Is Our Home" and the government, Chernomyrin noted that this is not a new question and was raised by life itself right in the first days of the movement's existence. He recalled that back at the constituent congress a basic principle was defined — that of critical solidarity. But this principle does not mean that the movement is meltying seamlessly into the government; on the contrary, it is keeping its distance and fully exercising its right both to criticize and to support whenever it sees fit.

On the other hand, through an assessment of the current government's experience the movement can and must formulate a common attitude toward the state's potential to help the natural progress of the development of Russia's economy, culture, social sphere, and international ties. In Chernomyrdin's opinion the "Russia Is Our Home" movement must express an opinion on all these questions and speak up loud and clear, boldly and frankly. This is what the movement's leader now sees as being the main purpose of working with voters.

In the opinion of the movement's leader, when preparing the platform of "Russia Is Our Home" it must be clearly understood that Russia's revival is impossible without reliance on our historical traditions, without being oriented toward the aims of postindustrial development, and without strengthening private ownership.

"Any 'isms' are ultimately a copy of what has been done by others," Chernomyrdin stressed. "We should be a little more careful in dealing with this. It is time to realize that Russian problems must be solved above all by Russian methods."

Khabarovsk Frees Accused Murderer of U.S Citizens

MK1108052495 Moscow SEGODNYA in Russian 10 Aug 95 p 6

[Report by Oleg Kryuchek: "North Korean Murderer Released"]

[FBIS Translated Text] The Khabarovsk Kray prosecutor's office has announced the suspension of the investigation into the circumstances of the death of United States citizens Chu Hen-yi, a 58-year-old missionary, and his wife. It appears that the region's law-enforcement agencies could not, within the timeframe specified by the Code of Legal Procedure, identify the person or group of persons who committed the murder. The missionaries were murdered in their Khabarovsk apartment four months ago. Right away, or more accurately, after an insistent request from the American Embassy "to mount a special investigation of the incident," the Khabarovsk militia put forward a version that the American citizens were the victims of a religious conflict. Later this version was recognized as untenable, and events suddenly took a rather intriguing turn. A major international furor was in the air. Checking on persons who used to visit the missionaries' family, the special services of Khabarovsk Kray zeroed in on

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a North Korean logger who had escaped from a logging camp and who told the militia during the very first questioning that it was he who had killed the U.S. citizens. According to the escaped North Korean, who was placed into a remand cell, the missionary had promised to take him to South Korea, only to later go back on his promise — for which he paid with his life. Furthermore, the criminal investigators found similar microparticles on the clothes worn by those slain and the murderer. The most curious thing happened next. The escaped logger was, without explanation, handed over to the DPRK [Democratic Peoples Republic of Korea] mission in Khabarovsk, and the case was closed for the aforementioned reason. Moreover, the head of the department for the investigation of especially important crimes in the Khabarovsk Prosecutor's Office, Lidiya Dyakonova, printed in Khabarovsk newspapers an amazingly calm commentary. Reasoning with general correctness in a legal sense that there should be irrefutable evidence, not just a self-confession, Mrs. Dyakonova prophetically stated that the suspect would have after all disowned his previous testimony during the trial and it would have come to nothing.

The United States Consulate General in Vladivostok is still refraining from assessing the situation, something you cannot say about the South Korean and American media, which are positive that the murder was a terrorist sally of the DPRK special services.

Asia-Pacific Secret Services Recruit in Magadan

LD1008143095 Moscow INTERFAX in English 1146 GMT 10 Aug 95

[FBIS Transcribed Text] MAGADAN, Aug 10 (INTERFAX-EURASIA) — The secret services of the Asia-Pacific countries have displayed heightened interest in the Magadan Region (Russia's Far East) of late, head of the regional branch of the Federal Security Service Major-General Gennadiy Yelizarov told local journalists Thursday.

As he said, in the first half of this year several members of the foreign secret services were spotted in the flow of foreigners arriving in the region. There is concrete information concerning attempts to recruit some local residents with the use of compromising materials, the general said.

According to him, a major goal of foreign secret services is to collect information on the economic and social situation in Kolyma. The Magadan branch of the Federal Security Service believes that its main task is to protect Russia's economic interests, since the region continues to be a major supplier of precious metals to the state, Yelizarov said.

Conflict in Maritime Kray Between Governor, Democrats

MK1008130095 Moscow SEGODNYA in Russian 10 Aug 95 p 2

[Report by Yelena Tregubova: "Maritime Democrats Are Going To Bring an 'Action for Slander' Against Governor Nazdratenko. In Their Opinion, the Governor Accuses 'Russia's Democratic Choice' Just To Hide His Own Wrongdoings"]

[FBIS Translated Text] In Maritime Kray, a conflict is still in progress, caused by the recent scandalous statements by local top officials who charged that it was some financial organizations associated with the "Russia's Democratic Choice" party that arranged to have Aleksandr Bondarenko, head of the Maritime Tax Police, arrested. Kray Governor Yevgeniy Nazdratenko stated, in particular, that among the arrest "instigators" was "Fedzhi" — a financial organization, headed by a "Russia's Democratic Choice" proponent, which "evaded paying taxes and was exposed by Aleksandr Bondarenko."

Yesterday, Maritime "Russia's Democratic Choice" branch representatives and Viktor Nazarenko, president of the "Fedzhi" company, said at a specially convened press conference that they intended to sue Mr. Nazdratenko for slander. Valentin Tatarchuk, executive secretary of the "Russia's Choice" Duma faction, emphasized that "accusations made by Yevgeniy Nazdratenko have nothing in common with the actual reality, and people insulted by him are fully determined to demand that the moral detriment be made up to them by a court ruling."

The press conference participants recalled that Yevgeniy Nazdratenko "started an active campaign against Yegor Gaydar's party last year, after observers from State Duma democratic factions had prepared and disseminated via the mass media a report on numerous violations of human rights in Maritime Kray." The report, in particular, mentioned the events in early 1994, when Vladivostok Mayor Viktor Cherepkov, elected by the people, was dismissed from his post by Governor Yevgeniy Nazdratenko's directive. Moreover, according to eyewitnesses, local power agencies' staffers "virtually threw Viktor Cherepkov out of the Mayor's Office," as a result of which he was seriously injured. The kray administration based these actions on the fact that Mr. Cherepkov had been allegedly proved guilty of bribery. Several months later, Viktor Cherepkov, who had been forcefully expelled from his office and was no longer admitted to the building, was dismissed by a presidential edict "for systematic non-fulfillment of his duties."

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Meanwhile, at the end of last year, the General Prosecutor's Office established that the "Cherepkov bribery case," used as a pretext for his dismissal, was fully fabricated with the participation of Maritime's top officials.

The Russian General Prosecutor's Office has repeatedly stated that it was for his participation in the above fabrication that Aleksandr Bondarenko, head of the kray tax police, was arrested. At the time that the "Cherepkov case" was "concocted," Major General Bondarenko headed the local Directorate for Organized Crime Control and, according to the information available to the General Prosecutor's Office, directly helped Valeriy Bugrov, a senior commissioner at a district militia department, who, under a fake name, played the role of some "Afghan veteran-businessman" to accuse the Vladivostok mayor of extortion.

The Maritime supporters of "Russia's Democratic Choice" are sure that Governor Nazdratenko is deliberately trying to attribute Mr. Bondarenko's arrest onto tax cheaters' revenge or the "intrigues of the democrats," since the fabrication of a criminal case against Viktor Cherepkov, done by the heads of Maritime power agencies, "simply could not have taken place unless this was sanctioned by the kray leader himself."

Petersburg Provides Silicon for FRG Superconductors

MM1008154495 Moscow IZVESTIYA in Russian 10 Aug 95 p 2

[EkoTASS report from the "News" column: "Leningrad AES Has Started Trading Nuclear Waste"]

[FBIS Translated Text] The first 40-kilo consignment of neutron-type silicon has been sent under contract to the German company Wacker, which manufactures semiconductor materials, by specialists of the radiation technology department recently set up at the Leningrad nuclear electric power station. In accordance with a contract they have concluded, the atomic industry workers of Sosnovyy Bor also plan soon to start delivering cobalt-60 to the Nordion [as transliterated] company in Canada.

Zaveryukha Cited Regarding Orenburg's Harvest

MM1008145195 Moscow SELSKAYA ZHIZN in Russian 10 Aug 95 p 1

[Report by Ivan Gavrilenko under the "Topic of the Day" rubric: "Is It Only the Elements That Are To Blame?"]

[FBIS Translated Text] Orenburg Oblast — "You say that in the past two years we have not been buying grain from abroad, but producing at least 80 million tonnes within the country. You cite approximately the same final figure for this year — 75-78 million tonnes of grain. It used to be thought necessary to produce at least a tonne of grain per person per year. The population of Russia now is 150 million. So has the human genetic stock changed, or what?"

The next question put to A.Kh. Zaveryukha, deputy chairman of the Russian Government, at a press conference during his visit to Orenburg Oblast 5-8 August was no less trenchant:

"Analysts have calculated that in the fall, which is not far off now, the price of milk in Orenburg Oblast will rise to 12,000 rubles [R] a liter, and meat to R35,000 a kilogram. Is that possible?"

The press conference preceded a conference in the oblast administration timed to coincide with the visit. There, the note of anxiety was even more marked. No wonder! The harvest has already been going on for more than a month in Orenburg Oblast, yet by 5 August contracts for the delivery of grain to the regional stocks had been concluded for only 150,000 tonnes. The oblast's own grain needs total 400,000 tonnes. On the day of the conference the amount of grain to have reached those stocks was only...4,000 tonnes.

The situation is no better with feed. Experts have calculated that the local herd will be only 61 percent provided with feed for next winter. Things are even worse for poultry and hogs. In these sectors, not more than 11 percent of the required allowance is estimated to be assured.

Does this not herald empty shelves in the food stores in the near future? And what is the cause of the disaster?

At the conference the vice premier, who had previously visited the fields in six rayons, noted the grave impression made on him by the sight of grain fields ruined by drought.

Indeed, since April it has been a rare day when the thermometers round here have shown less than 30 degrees of heat. The lack of rain and the drought conditions in the atmosphere and the soil have done their worst — in all, more than 1 million hectares of sowings are ruined and must be written off. The grain fields were particularly badly hit in Akbulakskiy, Kvarkenskiy, and Svetlinskiy Rayons, where not more than three or four quintals of grain per hectare are now being harvested.

True, the drought is a real disaster. But is a dry summer really such a rarity in Orenburg Oblast? There were summers similar to this year's in 1955 and 1975. Indeed, in Orenburg Oblast out of every five years

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two or three are dry. Yet all the same, the steppe region, which became the country's biggest granary in the sixties and seventies, managed to adapt to natural cataclysms. G.I. Belkov, director of the "Yuzhnyy Ural" Science and Production Association, reminded us of this at the conference. Moisture-conserving techniques, varieties stringently selected for local conditions, skillful adjustment of the timing of work and the machinery — that was what limited the elements' power over the fields. Where is it all now? Formerly, more than 22,000 harvesting machines took to the fields at harvest time. Now there are fewer than 10,000. This year 1,000 fewer tractors were used in the sowing than in the previous spring. Every year more land begins the winter unplowed — the area of fall plowing, a powerful accumulator of moisture, is shrinking.

Who is to blame? The peasant? Of course not. The vice premier himself said at the conference that the disparity between the prices of goods brought into the countryside and the goods it dispatches amounts to a coefficient of 3.6 against the peasants. As P.M. Lisitskiy, leader of the "Luch" Joint-Stock Company, said, an ordinary plowshare now costs R60,000. Look how many you need for one plowing! The countryside is growing poor before our very eyes. In 1992, only five farms in Orenburg Oblast could not cover their expenditure with their income. Last year the number of such farms had risen to 150. Now 90 percent of workers in the agro-industrial complex here are bankrupt. Have the peasants forgotten how to work? No, the countryside is being pushed toward the abyss by the "reforms" that are under way in the country.

Undeniably, the departments responsible for the countryside in the Russian Government and A.Kh. Zaveryukha himself are doing much to control the situation. It is true that grain purchases abroad have been reduced and tariffs on imported food have been increased to protect our own commodity producers. The purchase price for our grain has been increased to world levels. That all seems fine, but not for nothing did our ancestors use to say: The snail is on the way, some day he'll get there. For us, the path from making a decision to putting it into practice is painfully long. Here is an example. With great difficulty, by the joint efforts of A.Kh. Zaveryukha, the Ministry of Agriculture and Food, and the Agrarians in the State Duma, they managed to wrest R13 trillion from this year's state budget for the peasants. And? The final campaign of the agricultural year — the harvest campaign — is coming to an end, and the countryside has thus far received only R5 trillion. Where is the rest of the money? Yet Gaydar and Boris Fedorov are still calling the countryside a "black hole." A special commission left Orenburg Oblast for Moscow along with the vice premier, having determined the extent of the damage done to the farmers here by the drought. Of course the victims will be granted some kind of aid. But in reality, will the shelves of the stores be groaning with surplus food next winter, and what will be the price of bread? The vice premier, addressing his fellow countrymen, spoke of targeted aid for poorly-off families, in the form of money for bread. A bad sign! Should we indeed be preparing for a change in the human genetic type in Russia?

Economic Issues

Cabinet Approves Program To Encourage Investment

LD1008124795 Moscow ITAR-TASS in English 1200 GMT 10 Aug 95

[By Gennadiy Yezhov]

[FBIS Transcribed Text] MOSCOW, August 10 (ITAR-TASS) — The Cabinet of Ministers of the Russian Federation today approved a comprehensive programme of encouraging domestic and foreign investments in the country's national economy.

According to first deputy economics minister of the Russian Federation Yakov Urinson, the programme is aimed at increasing the share of private investments and making their attraction to the Russian economy more effective.

Urinson said a government resolution has been drafted to provide "additional encouragement to private investors." The document contains two new ideas: certification of projects and the provision of state guarantees to private investors."

According to Urinson, project certification will not only deal with the quality, which is very important for private investors, but also determine the size of the government support in percentage points of the cost of the project.

The idea of the state/commercial funding of projects contained in the government resolution envisages a mechanism of government guarantees of investments as a form of state support.

According to Urinson, which will make possible a more effective use of government resources in attracting private capital. A 50-percent project risk will reduce the amount of required government resources by a minimum four times (two times for the risk and another two times in connection with the compensation for the insurance payment on the basis of mortgage realisation.)

Urinson told the Cabinet that the banks which participated in the establishment of a Russian group of in-

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vestors intend to invest around two trillion roubles in the national economy under government guarantees.

Along with this he said the federal budget resources will remain the most important source of financing. According to estimates made in the economics ministry the share of federal investments must amount to some 2 to 3 per cent of the gross domestic product next year and for some years to come in order to ensure a turnaround in the economic situation and an active policy aiming to pool the economy out of the crisis.

He said that between 60 and 70 per cent of these resources would be channelled towards the development of the social sphere, and between 30 and 40 per cent to the development of the production sphere, including implementation of highly effective investment projects which will be placed on a competitive basis.

The minimal amount of government investments in the national economy next year must reach 32 trillion roubles, or 1.5 per cent of the projected gross domestic product value.

The Cabinet meeting heard that because of the extreme dearth of resources for the federal investment project, its draft provided for the funding of restoration work in the Chechen republic next year on the same terms and conditions as those provided for in this year's programme, that is mainly at the expense of budgetary loans, resources raised through the profit tax exemption for contributions to federal budget, reserve funds, and other non-investment articles of the federal budget.

R310 Trillion To Be Invested in Economy in 1996

LD1008154795 Moscow INTERFAX in English 1358 GMT 10 Aug 95

[FBIS Transcribed Text] MOSCOW, Aug 10 (INTERFAX) — A total of 310 trillion rubles will be invested into the Russian economy next year, Deputy Economy Minister Yakov Urinson told a Thursday government meeting.

The figure is to be increased to 380 trillion rubles in 1997, according to government experts.

Urinson said the bulk of investment in 1995-1997 would be made by the enterprises themselves including depreciation charges. However, he said referring to estimates that government investment should run at 2%-3% of GDP in 1996 and onwards to bring a reversal and ensure a subsequent economic recovery. [sentence as received]

Government investment in 1995 and in the next two years will stand at 18.8 trillion rubles, 32 trillion rubles and 39 trillion rubles respectively, he said.

Urinson said that social expenditure would run from 60% to 70% of all allocations, with industrial spending making up 30%-40% of all allocations. He said government investment from budgetary and non-budgetary sources must be made into specific projects which have detailed business plans.

The government-approved integrated program aimed at providing incentives to domestic and foreign investors in 1995-1997 also provides for state support of investment into profit-yielding projects in the private sector on a competitive basis.

The government plans to spend a total of 2.8 trillion rubles on conversion programs of the defense industry in 1996. Urinson said this year's allocation of 1.5 trillion rubles from the already-tight budget as investment into highly effective projects could help lure an extra 5 trillion rubles from private investors.

In his view, Russian commercial banks are seriously interested in longer-range investment at home which, according to the Central Bank of Russia, will make up 12% of their total investment in 1995 compared with a mere 4% last year.

Government estimates say foreign investment into Russia will run at 5.2% of total investment in 1997 compared with 3.3% this year.

Central Bank Profits To Finance Defense Conversion

LD1008162395 Moscow INTERFAX in English 1358 GMT 10 Aug 95

[FBIS Transcribed Text] UFA, Aug 9 (INTERFAX) — President Boris Yeltsin is due to issue a decree this week on diverting part of the profits of Russia's Central Bank to finance conversion programs of the military-industrial complex, First Deputy Prime Minister Oleg Soskovets said Wednesday.

He told a meeting of government officials and industrial managers in Ufa (Bashkortostan) that the government would work hard to try to preserve defense-related technologies. He said spending on defense-related research and development would make up 10% of the total expenditure on next year's procurement of military hardware compared with a mere 2% in 1993.

On his tour of Bashkortostan, Soskovets said that despite the overall slump in production, the republic's oil refining and petrochemicals industries were doing better than other sectors. He expressed sympathy to requests by representatives of the two industries for lower import tariffs on new equipment and for tax benefits to the two sectors for a period of reconstruction. Soskovets held

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out promises of examining these issues and said that it was most likely that the final decision would be "in favor of producers."

At the same time, Soskovets attacked the administration of the neighboring Chelyabinsk region for a freeze-up of the promising Aleksandriysk copper and zinc project in 1993 which threatens to bring Bashkortostan's ore enrichment facilities to a standstill. The republic's own reserves of copper and zinc will have run out in the next two years.

New Law Exempts Builders of Army Housing From Tax

MK1108042295 Moscow MOSKOVSKIY KOMSOMOLETS in Russian 9 Aug 95 p 1

[Unattributed report: "Businessmen Involved in Army Construction Programs To Be Exempted From Taxation"]

[FBIS Translated Text] Physical persons and legal entities involved in housing construction for servicemen of the Russian Armed Forces have been exempted from virtually all forms of taxation.

According to information at the disposal of MOSKOVSKIY KOMSOMOLETS, Boris Yeltsin has signed the federal law "On Amending the Laws 'On Customs Tariffs' and 'On the Value-Added Tax'" passed by the State Duma. The new statutory act enlarges the number of preferential categories of entrepreneurs exempt from taxation.

From now on, tax exemption shall be granted to all individuals and entities importing into Russia equipment (including that for construction), instruments, and materials necessary to implement housing construction programs for servicemen and to build professional retraining centers for retired officers. All the above will also be exempt from value-added tax.

Yeltsin Edict Orders Savings Loan Bond Launched

MM1008110695 Moscow ROSSIYSKAYA GAZETA in Russian 10 Aug 95 p 1

[Unattributed report followed by commentary by A. Livshits, presidential adviser on economic issues, under the general heading "New State Loan"]

[FBIS Translated Text] Russian Federation President B.N. Yeltsin has issued an edict "On the Russian Federation State Savings Loan."

Through this document the Russian Government is instructed to begin issuing the state loan this September and to make it possible to acquire the loan bonds throughout the country.

The presidential edict is aimed at providing guarantees for the safekeeping of the population's savings and creating favorable conditions for citizens to invest their savings in state securities and for the stabilization of the situation in the money market.

Comment By A. Livshits, Presidential Adviser on Economic Issues

The Russian Federation State Savings Loan will take the form of annual loan bonds issued over the course of three years beginning in 1995. The total size of the loan will be 10 trillion rubles [R] in 10 tranches of R1 trillion each.

It has been laid down that the volume of monetary emission required to issue this loan together with commitments under other existing types of state security shall not exceed the total state domestic debt laid down by the Law on the Federal Budget.

The State Savings Loan is fully guaranteed by the state.

The loan will be issued by the Russian Federation Finance Ministry and placed through highly reliable banks.

B.N. Yeltsin's edict thereby creates a long-awaited new financial instrument which considerably expands the choice available to savers when it comes to finding a reliable home for their savings that offers a good return.

Yeltsin Signs Edict on State Savings Loan Program

MK1008121295 Moscow KOMMERSANT-DAILY in Russian 10 Aug 95 p 5

[Report by Igor Trosnikov: "Savings Loan Edict. Executive Power Starts Struggle for Population's Money"]

[FBIS Translated Excerpt] Yesterday, Russian President Boris Yeltsin signed an edict "On the State Savings Loan of the Russian Federation." The issue of bonds worth 10 trillion rubles is to start as early as this coming September. [passage omitted]

Interestingly, under the edict the Russian Federation Government has been tasked with getting ready for the issue of bonds in September and seeing to it that the issue covers the entire territory of Russia. Such haste and the scale of distribution of the issue, as KOMMERSANT-DAILY experts see it, can be attributed to the desire of the executive power to earn money by selling the securities as early as this coming fall, thereby preventing a widely predicted burst of inflation. This is also required by commitments to the IMF and the political situation in Russia before the elections. [passage omitted]

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Also conspicuous is the fact that the edict "On the State Savings Loan of the Russian Federation" appeared virtually concurrently with the edict "On Additional Measures To Raise the Effectiveness of the Russian Federation's Investment Policy," which regulates the creation of mutual investment funds. To all appearances, the Russian executive power has decided to pass over from talking about the need to protect and attract the population's money to doing it.

Yeltsin Orders Support for Sakhalin Company

LD1008172995 Moscow ITAR-TASS in English 1653 GMT 10 Aug 95

[FBIS Transcribed Text] MOSCOW, AUGUST 10, RIA NOVOSTI — The President issued a decree on measures to provide financial support for Sakhalinmorneftegaz company seeking to procure additional sources of financing clear-up efforts following the earthquake in the Okha district of the Sakhalin region.

The decree instructs the Ministries of Finance, Fuel and Energy, and the State customs Committee to ensure that all the proceeds from export duties on oil and oil products exported by Sakhalinmorneftegaz between June 1 and December 31, 1995 are used to finance the clear-up efforts in the Okha district of the Sakhalin region. The said exports also include oil contributed free of charge by oil companies to provide financial support for Sakhalinmorneftegaz.

The presidential decree also exempts Sakhalinmorneftegaz from the surrender of 50 per cent of its foreign exchange earnings on such exports for the period from June 1 to December 31, 1995. The foreign exchange funds thus released are also to be used to finance the clear-up works in the Sakhalin region.

The decree circulated by the presidential press service on Thursday shall enter into force from the date of its signing.

Decline Continues in Production of Industrial Items

MM1108095695 Moscow IZVESTIYA (Financial Section) in Russian 10 Aug 95 p 1

[RIA-NOVOSTI report from the "News" column: "Industrial Output Won't Basically Go Up in 1995"]

[FBIS Translated Text] Relative to 1994, the output of 128 (67 percent) of the 191 most important kinds of industrial products will decline in 1995. This forecast has been issued by the Russian Government's Center for the Economic Situation. However, as the calculations show, the slump in output is slowing down, since last year 96 percent of commodity items suffered a slump in output. According to the specialists' forecasts, the output of 86 kinds of industrial products will decrease by 10 percent or more this year, with 47 kinds of goods showing a fall of 25 percent or more. The most significant fall in output will occur in light industry (35 percent). On the other hand, a 10-percent growth in the output of ferrous metallurgy is anticipated, and the same holds true in the chemicals and petrochemicals industries.

Monthly Unemployment Allowance Increases

MK1108055895 Moscow MOSKOVSKIY KOMSOMOLETS in Russian 10 Aug 95 p 1

[Unattributed report: "Unemployment Benefits Raised in the Country"]

[FBIS Translated Text] The minimum unemployment allowance has been raised by a directive of the Russian Federation Employment Service.

The IMKA news agency has come to learn that it was raised as of 1 August. Now the unemployed entitled to it will be paid 55,000 rubles a month.

The same sum will now be paid to citizens sent by the employment service for training or retraining.

Ruble Reportedly Still Recovering Against Dollar

MM1008142995 Moscow IZVESTIYA (Financial Section) in Russian 10 Aug 95 p 1

[Report by Igor Doronin, adviser to Moscow Interbank Currency Exchange: "Currency Review"]

[FBIS Translated Text] To all appearances, the drop in the dollar rate could continue in August as well. At any rate, during the first days of August the rate has gotten really close to the 4,400-ruble mark. This is a kind of watershed, below which it is undesirable and dangerous for the dollar rate to fall not only from a macroeconomic viewpoint but also from a psychological one.

All the signs are that the Central Bank of Russia is making active efforts to keep the rate at this level. Given the present situation on the market, however, it does not have that many opportunities.

On the Moscow Interbank Currency Exchange [MICE] the rate has already dropped below 4,400 rubles, and an attempt to keep it at a level above this mark on the MICE market will provoke arbitration operations by banks.

On almost all the regional currency exchanges (with the exception of Nizhniy Novgorod Currency and Stock Exchange) the dollar rate confidently crossed the 4,400-ruble mark during the first two days of this week and is continuing to fall.

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In the situation which is taking shape the task of preventing a further lowering of the dollar rate appears quite complex. First, returns remain high on the market for short-term state bonds, which are attracting sizable sums. To set about lowering returns would mean jeopardizing the emission of new issues, which are needed to clear previous financial obligations, and ending up with a shortfall in funds coming into the budget. Second, the tendency for interest rates to rise on the interbank market — a tendency occasioned by the shortage of ruble funds and by growing expectations with regard to inflation — is becoming increasingly clear. Obviously, investments in these ruble assets will remain attractive in the immediate future, and this will prompt holders of currency to continue selling currency in the market.

Exchange rate in rubles (based on MICE trading results)

	3 August	4 August	7 August	8 August	9 August
U.S. dollar	4,415	4,416	4,405	4,405	4,405
German mark	3,175	3,160	3,155	3,124	3,106
French franc	945	883	883	883	962

Gap Between Rich, Poor Widens Jan-Jun

MM1008133695 Moscow IZVESTIYA ('Ekspertiza' Section) 9 Aug 95 p 7

[Report by Yevgeniy Myasin, cochairman of Russian Consumers Union: "The Drop in Russians' Living Standards Continues"]

[FBIS Translated Text] The decrease in the rate of decline of GDP and the volume of industrial production in the first half of the year was achieved at too high a price: A sharp drop in the population's living standards, which government circles bashfully ignore.

The Poor Get Poorer, the Rich Get Richer

Judge for yourselves. During the first six months of 1995, a working person's real wages fell 29 percent compared with the corresponding period last year. The average size of the pension fell somewhat less in real terms — 20 percent. Against this background, a drop in the [whole] population's real incomes by "just" 7 percent could strike some members of government circles as quite immaterial.

But, first, this happened because of a certain growth in Russians' incomes from entrepreneurial activity, property, securities, etc., thereby increasing the prosperity of primarily wealthy sections of the population. But poor people and those whom we used to categorize as the middle class, who live on wages and pensions, have lost out badly with regard to their well-being. Second, even in 1993 and 1994, when very high rates of decline in basic economic indicators were observed, the population's real average per capita monetary incomes enjoyed an annual increase of 10 and 16 percent respectively. Third, it should not be forgotten that in relation to 1991, which preceded the start of the reforms, our citizens' well-being now barely reaches 60 percent.

This is the average. But, according to official statistical data alone, the number of poor people increased by 10 million over six months. Today approximately 30 percent of the population, or 45 million people, have monetary incomes below the subsistence minimum. The gap between the incomes of the top 10 percent and the bottom 10 percent of the population is in excess of 13-fold. But the latter indicator seems to have been understated, since a significant part of the incomes of the rich, in the opinion of many experts, is concealed.

Another indicator militates against "stabilization." This year the average level of wages has exceeded the subsistence minimum by 70 percent, but in 1994 it was by 120 percent.

Thus, assessing the situation as a whole, it is possible to maintain that the living standard of the absolute majority of Russians has fallen sharply this year, while the rich have gotten still richer.

We Drink More But Eat Less

Money is money, but we need it to feed ourselves, to clothe ourselves, and to satisfy our domestic and cultural needs. Maybe not all here is so gloomy? But, alas, retail commodity turnover during the first six months of this year fell 8 percent in real terms. At the same time food sales fell 11 percent, and sales of nonfood commodities 5 percent.

In the food industry this year a slump has been observed in production of the majority of types of output:

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down 29 percent for meat, 18 percent for sausages, 23 percent for whole-milk products, 12 percent for bread, etc. At the same time production of vodka products has increased 29 percent, brandy 21 percent, champagne 11 percent, and the sadly famous cheap fruit wine 5 percent. By comparing these figures it is not hard to surmise that we are drinking more but eating considerably less.

Now let's talk about inflation. For the government has proclaimed the crushing of inflation one of the chief tasks of its actions. But successes are not yet to be observed in this area either. The consumer prices index in the first half of the year (June compared with December 1994) stood at 178 percent, including 182 percent for foodstuffs, 161 percent for nonfood commodities, and 219 percent for services. These are the official statistics. But the All-Russia Scientific Research Institute of the Consumer Market and Marketing, for example, which has been monitoring retail prices for many years, makes different assessments. They are higher: The index stood at 192 percent for foodstuffs and even more for nonfood commodities — 200 percent. en

Poor People's Food Goes Up Fastest of All

The table shows the indexes of retail prices on individual commodity groups for the first six months of this year, calculated by the Russian State Committee for Statistics.

From the table you can see that poor people's food — potatoes, vegetables, and bread — accounts for the highest rate in the rise of retail prices. If you add that in the first six months the tariffs on housing and municipal services have gone up nearly threefold, and passenger transportation and communications, which are regulated by federal and local organs of power, by a factor of 2.1, then it becomes obvious that in practice the government is conducting an antisocial policy.

The protection of the citizens' income and savings from inflation is another important problem. In 1994-1995, around 30 million citizens suffered on the financial market. The damage constituted something in the order of 20 trillion rubles. In this situation what is there left for the population to do? Go cap in hand to the Savings Bank, but this bank is arbitrarily changing interest rates, and indeed rumors about its imminent privatization are frightening off many potential clients. So, many Russians have started acting in a not entirely patriotic way in order to keep what has not been stolen yet — they have started putting their savings into currency.

But no! Our patriotically minded government members and Central Bank leadership did all they could to ensure that the dollar rate would fall abruptly. Now you can add something else to the achievements made in the sphere of industrial production: "The strengthening of the national currency — the ruble." With an average monthly inflation of 10 percent, the population has again lost about half of its savings, invested in dollars, in this operation.

FOOD GOODS	
meat and meat products	188
fish and fish products	164
edible fats	140
milk and dairy products	177
eggs	133
confectionery	156
bread and flour products	195
pasta products	165
alcoholic drinks	176
fruit and vegetables, including potatoes	221
NON-FOOD GOODS	
fabrics	201
clothing, linen	158
shoes	152
detergents	166
tobacco products	193
furniture	165
electric goods	153
television and radio goods	147
construction materials	174
medicines and bandages	202
fuel for the population	178
automobile gasoline	247

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Producers Holding Back Grain Until Prices Rise

MM1008114295 Moscow ROSSIYSKIYE VESTI in Russian 10 Aug 95 p 3

[Report by Artem Lysenko: "Grain Market Review: Price Concessions or Crisis in Store for Russian Grain Producers and Procurement Personnel"]

[FBIS Translated Text] For several weeks now the grain market has been receiving this year's harvest. It has been impatiently awaited: Last year's grain is running out and many people had only expectations to plug their economic holes since they could not buy quality grain at any price. No one could bring themselves to sell even the minute amounts that peasants were storing: They were waiting to see the new prices and the new grain. Is the price going to suddenly rise dramatically? Especially since last year's experience provides sufficient grounds for agitation. The nature of this behavior — waiting and being patient — was prompted in the usual manner by alarm signals regarding the coming poor harvest.

The start of the wheat harvest increased the optimism. It became possible to assess fairly accurately Russia's grain potential. The results did not prove highly gloomy. Aleksandr Zaveryukha gave assurances that the harvest would be no worse than last year and that we would thus avoid buying grain abroad. There is a more cautious forecast: If there is another record low harvest (that is how last year's harvest is seen) transatlantic grain will have to be introduced into the diet since all the reserves that previously made up for the grain shortage have been depleted. The forecast poor wheat harvest is particularly worrying. According to Yevgeniy Tyurin, vice president of the "Roskhleboprodukt" Joint-Stock Company, around 25 million tonnes will now be harvested, 15 percent less than last year. The food wheat situation, used to bake bread, is particularly difficult: There is not much of it at all. This means that in four to six weeks the price of bread will rise steadily to 2,500 rubles [R] per loaf. And evidently the quality will fall since a considerable amount of feed-grade grain will be used to manufacture it.

Strangely enough, very little of the new grain is reaching the market from the fields. The "Roskhleboprodukt" federal corporation has not procured a single gram over the past month. Regional grain reserves have received a truly miserly amount for what is traditionally the grain-packed month of July — just over 100,000 tonnes. Small stocks have already been produced in areas where the local administration has allocated good money. For instance, Orenburg Oblast is willing to pay R1 million per tonne for grain. Of course, things here are better than in Sverdlovsk Oblast, where they are tackling past problems: A critical situation has been developing there since February owing to the flour shortage.

In the country as a whole customers are not as yet ready to give the producers the money they are asking. As intended, the transition to new prices is proceeding smoothly. Market prices for the new grain have jumped by only 10-15 percent, enough to interest the peasant in relieving himself of his old stock. It is these stocks that are appearing on the market right now. Strangely enough, the new grain has not enlivened the market at all. Despite the fact that a considerable amount of the grain in southern Russia has already been harvested and you would have thought that the market should have long since been flooded with top-notch wheat the peasants are still hanging on to it and waiting for prices to rise. Certain specialists calculate that selling one tonne of food wheat will only be profitable for the producer when it costs R1 million. It is obviously not feasible to sell all the grain at that price. None of the major grain procurement offices, including the state, will have that kind of money in the near future. The federal budget does not have the money for procurement. What is more, it makes no sense to buy produce at those kinds of prices: They are considerably above world prices even if you count delivery costs to Russia. European grain costs around $170 today, that is, around R750,000 per tonne. Experts from the firm "OGO" believe that for the first time in the last few years a favorable situation for grain imports has taken shape in Russia. Right now unstable prices are stopping such operations. The peasants have not as yet made up their minds and will evidently be obliged to make concessions in the next few months and sell output at lower prices. If that does not happen (it is nonetheless not very likely) a situation may take shape that resembles "Black Tuesday" on the money market where the state is unable to wipe out speculation and the supply of produce is so low that it is unable to meet general demand. Consequently, a drop in prices is nonetheless inevitable. But after a crisis.

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International Affairs

Black Sea Fleet To Dismantle Flight Control Center

LD1008171995 Moscow INTERFAX in English 1522 GMT 10 Aug 95

[FBIS Transcribed Text] Moscow, August 10 (INTERFAX) — As INTERFAX learnt from military sources, the command of the Russian Navy has sent to the headquarters of the Black Sea Fleet an ordinance to dismantle before October 16 the flight control center at the Gvardeiskoye airfield (Simferopol, Crimea).

Apart from this, the paper provides for turning over in October to Ukraine's Navy of facilities of the airfield, aviation equipment, weapons, ammunitions, property and material stocks of the military units stationed on the Donuzlav airfield.

The ordinance underscores that combat equipment and stocks of the fleet's aviation should be split 50/50 between Ukraine and Russia.

But a Russian military expert told INTERFAX that should the information about the ordinance on dismantling of the flight control center in Gvardeiskoye be true, the BSF command will lose control over the air space in Crimea.

INTERFAX has failed to get a proof of the information about the above-said ordinance.

Kiev's Balkan Crisis Initiative Assessed

WS1008112595 Kiev ZERKALO NEDELI in Russian 5-11 Aug 95 p 2

[Article by Anton Kryukov: "Ukraine's New Role in the Balkans"]

[FBIS Translated Text] Ukraine has recently been trying to play an increasingly independent role in the world community's attempts to resolve what seems to be the most dangerous crisis of the end of this century — the Balkan crisis. That crisis looks dangerous not only in light of the scale of human casualties — unseen in Europe for the last five decades, or the ferocious ways of causing those casualties. As has happened in the Balkans a number of times, local conflicts in that part of the world reflect the interests of third countries, which pursue their own goals. It is exactly the clash of those interests, although not as overt as it was at the beginning of the century, that made the current crisis so long and perhaps, unresolvable.

Thank God neither the Warsaw Pact nor the Soviet Union lived long enough to see the current Balkan conflict, given that both structures were famous for their habit of periodically rendering international assistance to other states. Otherwise, the events of 1916 could have occurred again, when many people had forgotten the name of Gavrilo Princip or who — Serbia or Austria-Hungary — had declared the war. Having seen what happened in Ieper, Marne, East Prussia, and Galicia, people had other things to worry about.

However, even today one can see a distinct division of interests in former Yugoslavia. Incidentally, those interests often coincide with religions dominating in various states. Orthodox Russia — regarded by many as a successor to the former Soviet Union — despite the fact that in fact it is nothing but a sorry replica of the former USSR, wholeheartedly supports Orthodox Serbs. Another active participant in the conflict — Catholic Croatia — enjoys support from the EU and the United States, which are not interested in strengthening Serbia's influence. Muslim Bosnia-Herzegovina, tied up with the embargo on arms imports, is shrinking like shagreen leather. Islamic nations can openly render moral support just for Bosnia-Herzegovina, which they actually do. The opposition circles in the United States have taken an anti-Serbian, rather than pro-Muslim stance. The U.S. Senate — despite appeals voiced by the Administration — recently voted for lifting the embargo on arms supplies for the Muslims.

Until recently, Ukraine limited its activities in the Balkans to sending its "blue helmets" to Yugoslavia and demanding sporadically that the issue be addressed of compensating financial losses inflicted on Ukraine [by UN sanctions imposed on Yugoslavia]. The latter are not peanuts, given that the volume of losses has reached $5 billion (to introduce the hryvnya the state will have difficulty collecting a stabilization fund of $3 billion), not to mention the fact that indirect losses caused by the disruption of economic ties with the Danube area states (developed for decades) will affect Ukraine's economy for decades to come. Even the most naive people have realized by now that there will be no compensation. The lifting of the sanctions is probably the only strategically relevant issue for Ukraine in the entire Balkan situation. In all other aspects Ukraine is "clean" with regard to all the parties in the conflict, given that its relations with Croatia are even more stable than with the current Orthodox Yugoslavia (that is Serbia). As for Bosnia, it has no grounds to complain about the three-year stationing of Ukrainian "blue helmets" on its territory. Those soldiers, aside from purely peacekeeping missions, performed atypical engineering tasks, such as rendering assistance in restoring communications or streetcar lines.

Two weeks ago in London, where a Ukrainian delegation participated in an expanded international meeting on Bosnia, it voiced for the first time ever its own suggestions as to how to resolve the conflict. The essence

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of those suggestions can be concentrated in a couple of tenets. First, all conflicting parties should be engaged in negotiations according to the "3+2" formula. That is to say, aside from Croatia, Serbia, and Bosnia, negotiations should be attended by Bosnian Serbs and Krajina Serbs. No matter what we may think about them, they represent numerous groups of people actively and directly involved in the conflict. Second, Ukraine offered its mediation in the conflict and suggested that its territory be chosen for holding talks. To justify that offer, Ukrainian officials pointed out that our state, unlike other contact group members, has no strategic interests in the Balkans. In addition, Ukraine suggested that a session of the UN Security Council be urgently convened to suspend the sanctions imposed on Yugoslavia and thus, encourage Belgrade's temperate standpoint during the recent exacerbation of the Bosnian crisis. Ukraine deems it useful to expand the makeup of the contact group, so that it include the 16 states which participated in the London conference. Finally, Ukraine unequivocally opposed the use of force in Bosnia and the termination of the UN's peacekeeping operation.

All those tenets are subordinated to one idea — the search for untraditional ways of resolving the Balkan problem. One can argue about their actual efficiency, however they look much more realistic than the key point of the Russian proposal to urgently set up a "big eight" group (!), which would then summon Tudjman, Milosevic, and Izetbegovic, just as unruly kids get called before a school panel and resolve all problems in one fell swoop (something like: "Joe and Mike, shake hands and be friends again.") Unfortunately for Ukraine's concept, it did not become a topic for discussion, given that Ukrainian Foreign Minister Hennadiy Udovenko was the last speaker at the conference. We can also deem as Ukraine's failure the refusal to hold a news conference after the meeting. Of course, Warren Christopher or Andrey Kozyrev attracted much more of the reporters' attention than anybody else. However, Ukraine's stance would have looked favorable against the backdrop of the Russian minister's feeble and mediocre concept.

Yet those who wanted to hear Ukraine's suggestions, heard them. Among them was Karl Bildt, co-chairman of the international conference on former Yugoslavia. Ukraine currently needs everyday diplomatic activities to promote its ideas among the parties in the conflict.

The first step was made this week. A Serb delegation visited Kiev, led by Prime Minister Mirko Marianovic. Unfortunately, the informational side of the visit, despite two news conferences held at Kiev's Boryspil Airport and after the signature of two economic agreements, left a lot to be desired. The Serbian prime minister speculated around three theses: Yugoslavia is the stronghold of peace in the Balkans, the UN's sanctions are unjust, Ukraine had won respect in the world community due to its unbiased attitude toward the participants in the conflict.

Thus, the principal results of the visit remained in the shadow, but we believe that those kinds of results were achieved. I do not refer to the two economic agreements signed, particularly since they will only take effect after the lifting of the sanctions. Serbian Foreign Minister Dojcilo Maslovaric, who was among the members of the delegation, held a one-hour conversation with Hennadiy Udovenko. Serbia, being a component of a federation, is not subject to international law. Therefore, the official duties of its foreign minister include the somewhat euphemistic task of "exerting certain influence on Bosnian Serbs and Krajina Serbs." There was an indirect confirmation of this assumption: Maslovaric very reluctantly agreed to hold an interview, which is unusual for diplomats. In addition, he categorically refused to talk in front of television cameras and tape recorders. He pointed out that his state would support "all possible negotiations (including those held under the '3+2' formula), which can lead to a peaceful resolution of the conflict." Hennadiy Udovenko believes that Ukraine's proposals were received by the Serbs "very positively and with full understanding." "We are in an advantageous position, given that we have something to offer both the Bosnians and the Serbs. The Serbs realize that" — pointed out Udovenko. The Ukrainian foreign minister thinks that the negotiations held in Kiev mark the beginning of the implementation of Ukraine's proposals.

There is no certainty that Ukraine's proposals will result in a peaceful resolution, given that as we know "accord equals lack of opposition on either side." However, it is worth a try. The principal task for Ukraine's diplomacy these days is not to slow down the pace of its activities. The fact that the status of charges d'affaires in Kiev and Belgrade has been raised to ambassadorial level will definitely facilitate bilateral contacts.

At a meeting with Mirko Marianovic, President Kuchma pointed out that "thus far, Ukraine does not have sufficient influence in the Balkan region," however, he expressed hope that "this influence will grow in the immediate future."

"In general, we have one wish: We want all this to end as soon as possible, so that we can start normal trading again," added the Ukrainian president.

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Defense Minister Holds Talks With Chinese Envoy

LD1008111295 Kiev UNIAN in Ukrainian 0915 GMT 10 Aug 95

[FBIS Translated Text] Kiev — On 9 August, Ukrainian Defense Minister Valeriy Shmarov met Sun Zhenyu, Chinese foreign trade and economic cooperation assistant minister, UNIAN has learned from the Ministry of Defense press service.

The meeting discussed a wide range of subjects in extending defense cooperation between the two countries. It stated that good and mutually beneficial relations between Ukraine and China should develop further, with the outlook for cooperation in the light and machine-building industries, etc., the most favorable.

Iranian Envoy Pledges Continued Interest in Ties

AU1008145295 Kiev HOLOS UKRAYINY in Ukrainian 9 Aug 95 p 4

[Interview with Behzad Mazaheri, ambassador of the Islamic Republic of Iran to Ukraine, by Volodymyr Savtsov: "We Have Become Realists"]

[FBIS Translated Text] [Savtsov] What is your assessment of Iranian-Ukrainian relations? One gets an impression that mutual interest has abated lately....

[Mazaheri] Relations between our countries are good, just like prospects for their further development. Soon, a joint Iranian-Ukrainian commission for economic issues will be created. We expect Mr. Marchuk's visit to Iran and, immediately after that, Mr. Rafsanjani's trip to Ukraine. The difficulties that once emerged were due to the fact that Iran and Ukraine knew practically nothing about one another. Here is an example: We signed an agreement on supplying 4 million metric tons of oil annually to your country. However, the agreement did not specify the route along which the deliveries would be shipped. It later turned out that the Odessa Port is physically unable to handle our oil, and your oil refineries are not ready to process it.

Then the project of an oil pipeline from Iran to Ukraine was discussed, but more than 1,000 km of it was to run across Russia. In accordance with the agreement, your state had to resolve with Moscow all the problems associated with the pipeline. However, this was not done. In addition to that, the price of Iranian oil was set by OPEC, and Russian oil was much cheaper and did not require transportation by tankers. For economic reasons Ukraine opted for Russian oil, even though your country should perhaps diversify its sources of raw materials supply. As soon as Ukraine says that it is ready to buy our oil, oil will be delivered here.

We are very pleased with Mr. Marchuk's position, and his visit to Iran will be truly strategic. As for assertions that mutual interstate interest has weakened, I cannot agree with this: Simply, we have come down to earth and work in real dimensions.

[Savtsov] Is there truth to the assertions that Iran has made a strategic emphasis upon its relations with Russia and Ukraine has been "pushed to the background"?

[Mazaheri] We recognize Ukraine as an independent state and support its territorial integrity (in particular, also in the Crimea). With Russia, we have relations just like with all other countries. Russia is both your neighbor and ours. Iran's good relations with Russia do not contradict our friendly policy with regard to Ukraine.

[Savtsov] It happens that, in the international arena, serious accusations are advanced against Iran....

[Mazaheri] For example, attempts to acquire its own nuclear weapons? In reality, however, we do not strive for that at all. Iran has always fulfilled its obligations as a member of the International Atomic Energy Agency and is now ready to submit to inspectors of that organization those facilities upon which some countries, in particular the United States, are trying to cast the shadow of suspicion. The same circles accuse us of terrorism, whereas Iran condemns it in all forms, including that promoted by the state. Our principled position regarding the Near East is also known. Iran supports lawful rights of the people of Palestine and endorses a just resolution to this problem by peaceful means.

National Affairs

Creation of Bureau To Fight Organized Crime Viewed

WS1008150495 Lvov VYSOKYY ZAMOK in Ukrainian 29 Jul 95 p 1

[Interview with Lieutenant Colonel Mykhaylo Bal, chief of the anti-organized crime department at the Interior Affairs Administration in Lvov Oblast, by Omar Uzarashvili; place and date not given: "They Have the FBI, We Have the NBR" — first paragraph is VYSOKYY ZAMOK introduction]

[FBIS Translated Text] **A working meeting to establish the National Bureau of Investigation [NBR] has been held. Officials who represent power bodies from large Ukrainian cities fighting organized crime participated in it. We asked Lieutenant Colonel Mykhaylo Bal, chief of the anti-organized crime department at the Interior Affairs Administration in**

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Lvov Oblast, to comment on establishing the new state body.

[Bal] Drafts of the presidential edict on establishing the NBR and on its principles were studied and discussed at the working meeting. Members of a standing group for developing these drafts, Supreme Council deputies, and officials from the Presidential Administration delivered speeches. Leonid Kuchma met with them on 21 July. According to preliminary data, there are plans to establish the National Bureau of Investigation based on the Department for Combating Organized Crime. The new bureau will comprise, in addition to the above-mentioned department, "K" sections that fight organized crime, the Ukrainian Security Service, officers of prosecutor's offices, investigative officers, and special police detachments. The expertise of the U.S. FBI was studied when the tenets of the new service were drafted. U.S. advisers helped draft relevant documents. A new service will directly report to the president who will nominate its director.

[Uzarashvili] Will the establishment of a new power body reporting to the president not cause the opposition of certain forces? Leonid Kuchma is being blamed for the creation of a police state in the Ukraine anyway.

[Bal] Indeed, certain deputies expressed their fears at the meeting that the establishment of the NBR — it will be empowered with wide rights — could lead to resuming specific methods of work used by special services in 1937-39. Therefore, the president stated that a bureau must act only within the framework of the law, although the power of its officers will indeed be wide. The NBR will be able to, for example, investigate any criminal case and conduct their own inquest. Only specially nominated officers of prosecutor's offices will supervise activities of NBR officers in terms of observing laws.

[Uzarashvili] Will officers of various services who today, mildly speaking, do not have a common language, be able to cooperate?

[Bal] The NBR concept is based on nothing but cooperation. It is necessary to unite all forces that fight organized crime. At present, however, sometimes both police and the security service investigate one crime simultaneously. Naturally, there will be problems with recruiting staff. What chiefs would agree, on his own, to transfer a highly qualified officer to the NBR? Already today the establishment of the NBR has caused opposition of certain representatives of the Ministry of Interior.

[Uzarashvili] On what are NBR advantages in fighting organized crime based?

[Bal] In my opinion, the primary advantage is its subordination only to the top hierarchy, because NBR officers will not depend on local leadership in any way. Naturally, this will accelerate the revealing of organized crime groups that have interregional spheres of influence. The most important thing is that all forces fighting organized crime and corruption will be united. The president has taken the responsibility for creating the NBR upon himself. The new service, undoubtedly, will become an effective body in fighting crime and corruption, including crimes committed at the top of the power ladder.

Democratic Parties Back Restrictions on Russian TV

LD1008222595 Kiev UNIAR in Ukrainian 1845 GMT 10 Aug 95

[FBIS Translated Text] Kiev [no date as received] — On 10 August, the council of democratic parties of Ukraine and democratic association "Ukraine" issued a statement in connection with the decision by the State TV and Radio Committee of Ukraine to recommutate TV channels. "This has been done in order to expand the zone of a stable reception of Ukrainian television, which is called to be an active participant in the state-building process and to bring truthful information on what is going on in Ukraine to people," the statement says.

The council of democratic parties and democratic association "Ukraine" resolutely support the decision to recommutate TV channels, as an important move aimed at deepening the state-building processes in Ukraine and at using the information space in the interests of the state and the people.

Details Provided of Land Share-Out Procedure

LD1008153695 Kiev Radio Ukraine World Service in Ukrainian 1200 GMT 10 Aug 95

[FBIS Translated Text] Ukrainian President Leonid Kuchma signed a decree outlining the course of action in the share-out of land transferred to the collective ownership of farming enterprises and organizations:

With the aim of insuring as a matter of urgency that measures are taken to accelerate land reform in agriculture, and in accordance with Section 2 of Article 25 of the constitutional treaty between the president and parliament of Ukraine on the fundamental principles of the organization and operation of state authorities and local self-government in Ukraine pending the passage of its new constitution, the decree rules, in particular, that all agricultural land transferred to the collective ownership of collective farms, cooperatives, and joint

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stock companies in agriculture, including those set up on the basis of state farms and other state entities in agriculture, is subject to be shared out.

Land share-out envisions, in particular, determining the size of a share of land held by every member of a collective farm in the collective ownership of land. The right to a share of land is held by members of this farm according to the list attached to the state act on the right to the collective ownership of land.

The value of a share of land held by a cooperative or joint stock company is determined on the basis of collective-ownership agricultural land valuation and the number of those who hold the right to a share of land.

The nationwide issue of standard certificates to the public on the right to a share of land and their registration is to be carried out by the respective district state administration. If the owner of a share of land leaves a collective farm, under the regulations payment is made in kind to the value of this share of land and a state act is issued on the right to the private ownership of this share of land.

Report: Safety at Munitions Dump 'Unsatisfactory'

AU1108080495 Kiev HOLOS UKRAYINY in Ukrainian 9 Aug 95 p 5

[Report by UKRINFORM correspondent Anatoliy Kuznetsov from Nikolayev: "Where Do the Stray Shells Belong?"]

[FBIS Translated Text] It was a miracle that prevented a disaster resulting from attempts by teenagers to make a bonfire in a forest plantation near an munitions dump. Six high-explosive fragmentation incendiary shells had been put among some logs. In the same location six months earlier, a stray air-to-surface missile had been found. There have also been incidences of munitions being used to stun fish in the reservoir.

Competent officials describe the situation at the munitions dumps in the Voznesenskyy Rayon of the Nikolayev Oblast as extremely unsatisfactory: Insufficient attention is being paid to maintaining safety against explosions and fires and to having the munitions properly guarded. Meanwhile, dozens of metric tons of lethal objects are being stored inside buildings and in the open air, objects that should have been written off and destroyed, since their shelf life has expired.

Miners Decide on 'Action of Protest'

LD1108084195 Moscow ITAR-TASS in English 0745 GMT 11 Aug 95

[By Lyudmila Gordeyeva]

[FBIS Transcribed Text] Donetsk, August 11 (ITAR-TASS) — Ukrainian miners have decided on an action of protest. The decision was unanimously passed on Thursday at a conference of leaders of mining unions and miners' strike committees held in the Donetsk region. Buses with representatives of mining collectives will again set out for Kiev on August 15. The form and the venue of the protest action is still being discussed.

The action should strengthen the position of the group of miners that has been negotiating with the government for three months now, participants in the conference believe. More than 200 participants in the conference from the Donetsk, Lugansk and Dnepropetrovsk regions are of the opinion that the government has failed to fulfil its promises to overcome the crisis of the coal industry.

Miners have also decided to insist that broadcasts of ORT, the Russian pulbic television, continue to be received in Ukraine.

The miners have also discussed the question of the first congress of Ukrainian miners planned to be held in the autumn.

International Effort Urged To Tackle Chernobyl

LD1008135695 Kiev Radio Ukraine World Service in Ukrainian 1200 GMT 10 Aug 95

[FBIS Translated Text] Nine years after disaster struck at Chernobyl, the analysis of work to neutralize its aftereffect within that period enables the definitive conclusion to be drawn that not even an advanced nation would be able independently to tackle the complex problems that arose as a result, reads an appeal to Ukrainian President Leonid Kuchma by Vasyl Synko, chairman of the Kiev region state administration, Ukrainian Defense Minister Valeriy Shmarov, Borys Oliynyk, member of the Supreme Council of Ukraine and chairman of the Foreign Affairs and CIS Relations Committee, Borys Paton, president of the National Academy of Sciences of Ukraine, Mykhaylo Umanets, chairman of the State Committee for the Use of Nuclear Power, Oleksandr Osakhovskyy, president of the Servispromatom joint stock company, and public activist Kostyantyn Prodyn.

The whole complex of work on Chernobyl closure and the construction of replacement power generation facilities requires enormous expenditure equivalent to thousands of millions of U.S. dollars. The G7 meeting

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in Halifax demonstrated, however, that so far nobody is in a hurry to provide these funds for Ukraine.

Under the circumstances, the authors of the appeal propose setting up at Chernobyl an international center for nuclear safety, to be founded by the presidents of those states which extract and process uranium, operate nuclear power plants, and manufacture nuclear weapons. The initiative to set up this center would come from Ukraine, a world first to have given up its nuclear weapons and the state that suffered most from the Chernobyl accident.

Initially it could be the presidents of Ukraine, Russia, Belarus, and the United States who could jointly found the center.

The appeal also advances economic arguments in favor of setting up the international center.

Nuclear Power Plants Operational Statistics Released

LD1008120295 Kiev UNIAN in Ukrainian 0915 GMT 10 Aug 95

[FBIS Summary] In the seven months of 1995, Ukraine's five nuclear power plants generated 38 percent of that country's total electricity output. The State Committee for the Use of Nuclear Power has said that this compares with 32.2 percent of electricity generated by the nuclear power plants in Ukraine in the whole of 1994. There were 53 incidents in the operation of nuclear reactors, a 30 percent decrease on last year's figures. Most of those — 29 — occurred at Zaporozhye and only one at Chernobyl, the latter measuring zero on the international scale of nuclear accidents. Chernobyl accounted for the production of most of the electricity, generating 6.7 billion kWh or 6.9 percent of the total electricity output in Ukraine.

Economic Issues

Kuchma Issues Package of Economic Edicts

LD1008195795 Moscow INTERFAX in English 1711 GMT 10 Aug 95

[From the "Presidential Bulletin" feature: compiled by Nikolay Zherebtsov, Andrey Petrovskiy, edited by Vladimir Shishlin]

[FBIS Transcribed Text] President Leonid Kuchma has issued a package of economic decrees. One of them provides for the introduction of cash vouchers from December 1 to help Ukrainians privatize council-owned apartments.

Valid until December 31, 1996, these can also be used for privatizing part of state-owned industrial assets and land.

In the meantime, the citizens are allowed to use their privatization accounts opened up by the government to pay for facilities being privatized.

In one other decree, Kuchma ordered the establishment of a national crediting and investment company designed to attract domestic and foreign investment into the country's priority economic sectors and help implement Kiev's overall investment policy.

The new company is expected to draw up and implement a package of measures to finance investment projects and oversee how these are being put in place.

Its other functions include the repayment of foreign loans provided under Ukrainian government guarantees and cooperation with international government and non-government agencies dealing with the attraction of financial resources into the Ukrainian economy.

One other presidential decree determines the allotment of land to members of collective farms, cooperatives or stock companies willing to become private farmers. Each member's share of land is estimated in cash, but no land is provided unless he or she applies to stop his collective membership.

Moroz Aide on Economic Results, 'Mistakes'

WS1008142095 Kiev HOLOS UKRAYINY in Ukrainian 4 Aug 95 p 3

[Article by Vitaliy Melnychuk, candidate of economic sciences and the Ukrainian Supreme Council speaker's adviser for economic issues: "We Live As We Work"]

[FBIS Translated Text] **An analysis of the sociopolitical situation in Ukraine in the first six months of 1995 shows that the situation has worsened as compared with the same period last year. At the same time, objective circumstances in 1995 were more favorable than last year. First, there was no change in the central and local leadership; the state power and local self-government bodies, which were democratically elected in 1994, were still operational. The situation in foreign policy was stable. Second, the pressure exerted on Ukraine's economy by price disproportions, which appeared during the transition to world prices in 1992-93, were not all that hard. Third, cooperation in production with CIS countries was under way, and new economic ties were being established in accordance with signed international agreements and an agreement with the EU. Therefore, observers conclude that the situation worsened due to mistakes in the economic course which does not take into account the realities of the Ukrainian economy.**

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It is very interesting that instead of a deep analysis of the situation, we hear cheerful voices asserting a "slowdown in the production decline," a "slowing of the decline in living standards," and "high rates of corporatization and radical economic reforms." Simultaneously with assertions of nonexistent successes, we hear grim prognoses of home-bred "catastrophists" claiming that "there are only two months of life left for the country," or "the situation is catastrophic and requires a one-man dictatorship," or "the idea of a Ukrainian state has not come into action," or some other nonsense.

We take no heed of these sweet songs or grim invocations, because professional economists are well aware of the true price of such prophecies, as well as of the customers ordering such scenarios and their suppliers.

However, as a people's deputy of the former Supreme Council, which declared Ukraine's independence, and as an economic scientist, I think that our citizens have the right to receive reliable information, regardless of whether certain influential persons may like this truth.

If we want our future to become better and intend to do something to obtain that future, we must know and understand what is really going on in our state and its economy today. An answer to this question may be given with the help of an economic analysis — unprejudiced and based on a complex of mutually complementary indicators that are accepted by the world's economic science and practice. I want to present some results of my analysis of the first six months of 1995 to HOLOS UKRAYINY readers.

Let us begin with Ukraine's gross domestic product (GDP).

During the first half of this year, the total value of the final product created in our state by all entities, including all forms of ownership, in the production and non-production spheres — which constitutes the GDP — is equal, according to our calculations, to $16.4 billion in 1988 prices.

Is it too much or little? It is little, since this figure means only $640 annually per capita, and is almost $1.6 billion less than in the same period of the difficult year of 1994. Also, this is almost $27 billion less than in the first half of 1992 — the first year of Ukraine's independence.

Unquestionably, a fall in the GDP is a negative process, because it has a great impact on the life of every citizen. This impact can be compared with that of impact of fluctuations in the level and volume of water in a pond on its inhabitants. If water is abundant, carp, loach, tench, and even pike feel at ease there. If the volume of water decreases and the pond shrinks, it is no jokingh matter for its inhabitants: food and space become sparse, offspring grow feeble and few. A similar situation can be observed in a state with a decreasing GDP. The lower the GDP per capita, the lesser are the material possibilities of every resident and enterprise, as well as the state and society as a whole.

The total product, while reflecting the real possibilities of citizens, depends on how things are going in their country's economy. Let us look at the performance of our industry, agriculture, transportation, as well as the circulation in money and commodities and non-production spheres in the first six month of 1995, and at what they actually contributed to Ukraine's GDP.

I will note at the start that virtually the entire GDP drop can be attributed to reduced revenues from the production sphere. The volume of sold goods and services in this sphere decreased by 14 percent.

The contribution of the production sphere to the GDP in the first half of 1995 also decreased by the same ratio, as compared with the same period of 1994. Observers note that these data alone allow one to conclude: Against the backdrop of talk about financial stabilization in the country — with no serious ground for this talks — an essential fall in production occurred, causing a deficiency of at least $3 billion worth of products and services. Can any international aid compensate for this loss?

Let us now look at how matters proceeded in individual branches of the production sphere.

Industrial production decreased by 13.6 percent as compared with the first half of 1994. The largest drop was observed in the most important industries, particularly in machine building, light industry, and construction materials. At the same time, the most energy-consuming industries — which, it seems, should have suffered from energy problems more than others, and which allegedly are Ukraine's burden — felt rather secure. Let us compare: The machine building industry decreased its production by 25 percent, while ferrous metallurgy decreased by 6 percent; light industry decreased its output by 41 percent, while the chemical industry dropped by only 3.6 percent. It is also interesting that Ukraine's electricity production in the first half of 1995 decreased only by 2.7 percent in comparison with the same period of the previous year. For whom and which purposes this electricity was produced, I wonder? I will recall that the contribution of the industrial production sector to the common "storehouse" — the GDP — decreased by 14.1 percent in the first six months of 1995. This fact may seem mysterious, since it has been stated on numerous occasions that Ukraine's ferrous metallurgy and chemical industry are allegedly a driving engine of

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reform. They may be a driving engine, but they are driving Ukraine in the wrong direction. In addition, they are eating up the lion's share of gas pumped to Ukraine for hard currency. "Thanks to" this driving engine, Ukraine is the world's largest importer of gas. We imported $1.5 billion worth of gas just during the first five months of this year.

It is also instructive to compare the monthly rates of industrial production in 1994 and 1995. According to these data, as well as data from the Ukrainian Ministry of Statistics, since March 1994 a stable monthly growth of industrial production has taken shape, amounting to +5.9 percent in March, -0.5 percent in April, +7.5 percent in May, and 10.4 percent in June. In total, the growth during these months amounted to 25.1 percent. As for the first six months of 1995, there was no positive trend in the monthly production growth rates: March — +9.7 percent, April — -7.3 percent, May — -1 percent, and June — -1.5 percent. In total, there was a 0.3-percent drop in March through June. We will recall once again that the objective conditions in 1995 were much better than those in the unstable first six month of 1994, which were marked by preelectoral uncertainty.

In the agricultural sector, where — as people used to say — "the reforms have not yet begun," the fall in production also is significant. True, this drop is not as significant as in the industrial sector, amounting to 8.4 percent in the first half of 1995.

The agricultural branch has diminished its contribution to the GDP not by 13.9 percent, as was the case with the industrial sector, where "radical reform is in full swing," but only by 6.5 percent.

Of course, this branch has its own difficulties: The production of animal husbandry basic articles decreased by 7 percent; the number of cattle decreased by 10 percent; milk production dropped by 5 percent. There surely must be serious changes introduced here — no pseudo reforms, only fundamental, well-considered, and realistic transformations.

The situation in Ukraine's construction complex also is not simple. In the first six months of 1995, the volume of sales in this important industry decreased by 30.7 percent; the same figure stands for the decrease of the construction complex' contribution to the GDP. It should be noted here that the situation in the construction complex directly reflects the investment climate in Ukraine, which is rather cold, if judged by this trend. To warm this climate up or at least to make it more favorable, it is necessary to quit shaman invocations to anonymous investors and get down to everyday work directed toward a real improvement in the financial situation of enterprises.

The Ukrainian transport and communications branches virtually did not decrease the sales of their services in the first half of 1995; their contribution to the GDP decreased by only 1.4 percent. However, there is an essential differentiation of results in individual transport branches. For example, the shipments abroad by river transport increased by 18 percent; the pipeline supplies increased by 5.3 percent. At the same time, the motor transport performance deteriorated, and rail transport shipments decreased by 11 percent. One should be worried by the wear and tear of Ukraine's transportation means, which can have negative consequences for shipment safety.

An alarming signal can be seen in a 11.8 percent drop in services by the circulation of money and commodities sphere, which decreased its contribution to the GDP by 15.4 percent. Such a signal is also strange due to another reason. We have gotten used in recent years to the notion that the circulation sphere branches — which include not only trade, but also banking institutions, insurance companies, and various brokerage companies — are keeping afloat despite the general decline. Now the crisis has hit this sphere, too. A number of incompetent decisions adopted earlier in the circulation sphere, including the banking sphere at the time when it was artificially cut from the production sector, initially produced an illusory gain; but soon, as a natural result, brought about a disproportional distribution of a part of the national wealth. Now the mistaken administrative decisions and swaggering during their adoption are backfiring.

Finally, the non-production sphere. Its services decreased by only 1 percent, while its contribution to the GDP dropped by only 0.5 percent. These are the best indicators among all branches of the national economy. They also testify to the fact that, despite various difficulties, the role of the social sphere in Ukraine is increasing. However, it must be noted that over 60 percent of services in this sphere are not cost-recoverable, and they are financed from budgets at various levels.

Thus, the stock in the Ukrainian common "storehouse" — the GDP — considerably decreased in the first half of 1995 as compared to the same period in 1994. This decrease was 99.9 percent due to an essential reduction in sales of commodities and services by Ukraine's production sphere. We will add to this that it is also the first half of 1995 when Ukraine significantly increased its foreign debt, while the share of energy resources in the total volume of imports increased from 51.4 percent in 1994 to 62.5 percent in January-May 1995, amounting to a huge sum of $2.391 billion which is equivalent to 344 trillion karbovantsi according to the official exchange rate of the Ukrainian National Bank.

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It is impossible to disregard some especially conspicuous curiosities in the foreign trade activities in the first half of 1995. For example, how should we assess the fact that the British Virgin Islands with an area of 200 square kilometers and 13,000 inhabitants, which were hitherto unknown to the general public, have abruptly become Ukraine's fifth-largest importer, outdistancing such economic giants as the United States, Japan, and France, as well as the absolute majority of our neighbors and over 100 countries of far abroad, with which Ukraine is conducting trade operations? Curiosities are curiosities, but the above-mentioned facts alone allow us to conclude that the implementation of economic policy instead of producing announced positive results, has brought about diametrically the opposite.

However, an inquisitive reader may ask: The GDP has decreased, the foreign debt has increased — so what? They are not my concerns. They belong to the state. Have peoples' lives become worse because of this? Yes, the people's life became worse in the first half of 1995 as compared to the same period in 1994. This is corroborated by a 5.5-percent reduction in our citizens' real incomes and by other circumstances. The largest contribution to this deterioration was due to the above-mentioned facts.

The decrease in the GDP, the increase of Ukraine's foreign debt, and the complete orientation of our foreign trade toward importing energy resources and exporting semifinished products are unavoidably leading the absolute majority of our citizens toward the worsening and shortening of their lives. True, there is a very narrow segment of society which benefits a lot by this situation. However, the point is not in those who have become rich illegally, but those who have become hostages to ill-conceived economic decisions. Unless we resolve these problems, there will be no improvement.

EBRD Credit To Finance Five Romanian-Built Ships

AU1108072495 Kiev HOLOS UKRAYINY in Ukrainian 9 Aug 95 p 4

[Unattributed report from Bucharest: "Romanian Vessels for Ukraine"]

[FBIS Translated Text] The Romanian mass media carried information that the Ukrainian company "Ukrrichflot" [Ukrainian River Fleet] will purchase in Romania five vessels that will be built at the shipyard of the town of Oltenita. The money for the purchase will be taken from the 12.7 million ECU, or $17 million, credit granted by the European Bank for Reconstruction and Development [EBRD]. As pointed out in the Romanian press, the vessels will sail along the Dnieper River, as well as in the Black Sea and the Mediterranean.

CP Faction Defends Economic Positions

954F2965A Kiev GOLOS UKRAINY in Russian 26 Jul 95 p 3

[Letter of the Supreme Council of Ukraine faction "Communists of Ukraine—for Social ustice and Sovereignty of the People" to President of Ukraine L.D. Kuchma: "'We Are Compelled To Appeal to You In an Open Letter....'"]

[FBIS Translated Text] Esteemed Leonid Danilovich!

We are compelled to appeal to you in connection with the fact that accusations are being leveled more and more frequently against our party in your speeches and interviews and, in addition, its position is being presented in a distorted form.

It is possible to understand your negative reaction to the communists' rejection of the policy of "shock therapy" imposed by the IMF, accelerated capitalization of the economy, liquidation of Soviet authority, and affirmation of the economic and political supremacy of those whom you at one time accurately called "fat cats." Although neither in your election platform nor in your inauguration speech was a single word said about the fact that the policy of your team would be exactly that.

We will go further. The communists perceived with approval the intention you declared a year ago to bring order to the country, to curb mafia crime, to put an end to corruption, to restore manageability of the economy and the multilateral ties with Russia and other former Union republics that are profitable for Ukraine, to eliminate the flaws in national-cultural policy, and to subordinate the activity of the government and all state structures to ensuring the principles of social justice. You cannot deny that it is precisely the votes of the communists and their supporters that were cast for your candidacy that proved decisive to your election as president of Ukraine.

But immediately after your assumption of the position of head of state, the Central Committee of our party (we emphasize: the only one of 30 active parties) made official statements (you are familiar with them) about supporting your positions regarding intensification of the fight against organized crime and granting the Russian language official status. Your circle did everything to ensure that these statements not be brought to the broad public of the country. It is clear to us now that this was done deliberately.

It happened, unfortunately, that the antipopular and bankrupt policy of your predecessor in the position of

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president of Ukraine, which was unequivocally rejected by an overwhelming majority of the voters in last year's presidential and parliamentary elections, is now determining the meaning of the "new economic and political strategy" that you have put forth.

It is clear that the communists cannot support such a policy. In the Supreme Council they adhere to the election platform of the Communist Party, for which millions of voters cast their ballots.

The Central Committee of our party, having analyzed the situation that has developed, has openly and honestly announced its opposition to the policy you are conducting—a policy for change, contrary to the will of the people, for the restoration of capitalist procedures, and for the radical alteration of foreign political priorities, in particular, Ukraine's involvement in NATO.

However, the true essence of our objections with respect to the policy of "radical reforms" being conducted at the expense of a further catastrophic lowering of the living standard of an overwhelming majority of people are the social and political consequences of such a policy, which are carefully and in a coordinated way being hushed up.

At the same time, the communists have repeatedly declared and confirmed each time in practice that they will support specific steps being taken to save the country from economic catastrophe, to ensure the stable work of the state sector of the national economy and of the collectives of agricultural enterprises and their material technical supply, to normalize the provision of the population with food products and everyday necessities, to establish tough control on the part of the National Bank of Ukraine over commercial banking structures and strict compliance with legality, to eradicate corruption and crime, and to conduct a well-reasoned foreign policy, first and foremost with Russia and other CIS countries. Our position in this regard is immutable.

Your "new course" is nothing other than a continuation of the antipopular and antinational policy imposed by Rukh and other national-extremist forces that are being financed and supported by international capital for the purpose of intensifying the exploitation of Ukraine. It is not accidental that the so-called "national-democrats" who came out against you in the elections, the commercial ringleaders, speculators, bankers, and political intriguers who sold themselves for dollars, and the lackey- "theoreticians" are enthusiastic over your "new policy," because they see that in the future, as was the case under your predecessor, they will be able to rake in billions in the unrestrained increase in prices, currency speculation, the total export abroad of scarce products, and continue shamelessly to stick their hands into the already worn-out pockets of their own people.

We think that you, Leonid Danilovich, will remember how the leaders of the Communist Party and the members of the communist faction in the Supreme Council warned during meetings with you that the policy to complete a capitalist revolution would create the conditions for the transformation of criminals, speculators, and moneylenders into billionaires and owners of the national wealth that was created by the labor of all the people, the transformation of millions of workers into paupers dependent on the whims of the employer, and the transformation of long-suffering Ukraine into a semi-colonial and economically backward state unable to pull out of its debts and governed by criminal gangs. Unfortunately, this is exactly what has happened.

The first practical steps to implement the directions of economic development that you declare have already caused an unprecedented surge in consumer prices, a further worsening of the already catastrophic state of production in very important branches of the economy, and an exacerbation of the shortage of food and fuel. Millions of families of workers, kolkhozniks, teachers, doctors, rank and file employees, scientists, veterans, and pensioners who have not received their wages and pensions for several months are on the brink of despair. It is clear that the people will not tolerate their humiliation for long. This is indicated by the actions of the miners and the workers of some machine-building and other enterprises, scientific institutes, schools and VUZ's [higher educational institutions]. Increasing dissatisfaction is being displayed among the peasants.

In voting for you, Leonid Danilovich, the voters hoped for decisive actions that would ease the difficult situation of working people. But all they hear are your declarations and promises; they still see no real actions to pull the country out of the severe crisis. But the main thing is that there are practically no results that would indicate an improvement in conditions in the state, although a year has already passed since your election to the presidency. Instead of this, you and your circle have provoked a dispute with the Supreme Council that is totally unjustified and that no one needs, you imposed the signing of the so-called "Constitutional Agreement," and you put into effect the Law on Authority, thereby trampling the constitutional principles of our state. This does not in any way promote the consolidation of society and the implementation of long overdo reorganizations. What, for example, prevented you in the course of four months from forming a competent government?

Esteemed Leonid Danilovich!

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We are stating our position frankly, and it reflects the attitudes and demands of millions of workers. In criticizing the antipopular policy, our party has proposed and is proposing a specific program to create an effective socially oriented economy that envisions strong state regulation on the basis of the use of economic levers most of all, not runaway liberalization; reliable social protection, not impoverishment of the workers; a reduction in social differentiations, not a deepening of the abyss between the small group of those who are unrestrainedly getting richer and the mass of workers and pensioners who are growing disastrously poorer.

We deem it necessary:

In the economic and social sphere:

—to immediately overcome the crisis of payments and revive production under conditions of a regulated economy by means of establishing price parity, the re-cooperativization of production, and restrictions on the export of scarce raw materials, other materials, and half-finished products;
—to provide financial support to enterprises that are in a condition to produce competitive products;
—to establish state control over foreign trade and the currency rate of exchange and currency income and expenditures;
—to direct foreign loans only to new technologies and promising programs;
—to ban the circulation of foreign currency in the country;
—to put tax legislation in good order;
—to stop the further destruction of the state sector of the economy and the forced abolition of national property;
—to keep part of the retail trade network and consumer services enterprises under state ownership;
—to prohibit the breakup of collective farms and the transformation of land into a commodity and an object of purchase and sale;
—to create a broad network of capabilities for processing, storing, and selling agricultural products;
—to quickly restore mutually profitable economic, scientific, and other ties with Russia and the other CIS states;
—to sharply reduce the apparatus for the management of state institutions and eliminate the numerous farfetched commissions, councils, "foundations," etc.;
—to preserve the most important social possessions of the workers—the guaranteed right to a job, free education and medical services, old age support, and accessible prices for food, housing, and municipal services;
—to implement extraordinary and principally real measures to fight organized mafia crime and corruption.

In the cultural sphere:

—to stop the commercialization of culture, art, and sports;
—to stop the wild outburst of anticommunism, the propaganda of nationalism, national exclusiveness, and Russophobia;
—to adopt decisive measures against the use of television, newspapers, the cinema, the theater, publishing, and the book trade for the propaganda of the cult of violence, drunkenness, and depravity;
—to really ensure the right of citizens to truthful information, and equal access of political forces to the state mass media;
—to immediately implement your proposal on the status of the Russian language.

In the political-legal sphere:

—communists are for the real supremacy of the law, clear compliance with the requirements of the Constitution by all branches of power, including the president, Supreme Council, and government, the immediate formation of a Constitutional Court of Ukraine, and acceleration of the elaboration of a real democratic Constitution of Ukraine.

Esteemed Leonid Danilovich!

Inasmuch as you have made quite a few unjust accusations against our party, we are compelled to address this frank letter to you and to publish it. We also hope that this letter will also be an answer to those of your myrmidons who for the sake of their own temporary advantage sing your tune.

Communists were never the enemies of their own people. Coming out against the looting of the working people, we are ready for constructive cooperation with all political forces that intend to conduct reforms that do not hurt the people but are in behalf of the development of Ukraine, the happiness of every family, and the well-being of each home.

[Signed] Supreme Council of Ukraine Faction "Communists of Ukraine—for Social Justice and Sovereignty of the People."

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Activities of Research Support Fund Viewed

WS1108101995 Kiev MOLOD UKRAYINY in Ukrainian 4 Aug 95 p 1

[Commentary by UNIAN correspondent Volodymyr Palamarchuk: "Private Capital and National Security"]

[FBIS Translated Text] A network of nongovernmental charity funds is gradually developing and solidifying in Ukraine, the primary goal of which is, as we know, to facilitate the resolution of important social problems, engaging primarily non-budget funds. In its turn, the existence of this kind of network is required for developing and solidifying the major principles of a civic society. The Ukrainian state, which apart from overcoming the Soviet socialistic heritage in the economy, as well as in peoples' minds, has to tackle an extremely tough task: to form and define — during an extremely short period of time — the basic national and state interests. Organized public activities, particularly in the area of national security, has great significance. This is the reason for the interest in the activity of the Research Support Fund in the area of national security of the first (and so far the only) non-governmental public organization, which is dealing seriously with problems in the aforementioned areas.

The essence of the activities of any funds lies in a unification of two mutually dependent basic elements: The first is the accumulation of funds; the second is an effective use of these funds, and also the concentration of efforts on the state's and society's primary goals. Let us recall the Research Support Fund's work in the national security area during the nine months of its existence; (we note that this involves a long list of Ukrainian authors' scientific and journalism work, which were written at the Fund's order or were financed by the Fund, and also the printing and dissemination in Ukraine of scientifically important analytical information on Ukraine by foreign authors). For the beginning we can single out two scientific-practical conferences. The first one, "Security of information in computer systems and in the communication networks", was held in Hurzuf on 24-28 April 1995; the second conference, "Aerospace Cosmic Industry and Ecology: Issues of Conversion and Security", was held in Dniepropetrovsk on 24-27 May 1995. In our opinion, both of these conferences characterized very well the overall direction of the practical activities chosen by the Fund's leadership.

An assessment of the first conference's significance lies, unfortunately, in the undeniable fact that so far there has been no reliable system of protecting information at the national level in Ukraine. Therefore, the task of creating such a system is vitally important and urgent. The conference developed certain theoretical, as well as practical, recommendations which concern the issue of how to quickly organize practical work for establishing this system. And we expect that they will play a positive role in the immediate future. At this point, we will turn to two aspects.

The first is the fact that the conference was financed from non- governmental means. Remembering about the state's strained financial situation, we can surely claim that without the Research Support Fund in the area of national security, the state would not find means for this kind of work.

The second is the fact that the scientific, substantial aspects of the conference were fully provided by experts from the governmental institutions: The Ukrainian State Service for issues of technical protection of information, the Cabinet of Ministers, the National Security Council, the Ministry of Defense, the Ministry of Foreign Affairs, and the Ukrainian Security Service. We have a vivid example of how a non-governmental fund finances the resolution of essential national problems (this, however, is the particularity of the fund's activities under Ukrainian circumstances), an example of society's participation (in this case — non-governmental financing and industrial capital) in the practical development of the Ukrainian state's independence.

The Dniepropetrovsk conference had the same features as the conference in Hurzuf; however there were also certain essential differences. During the course of the conference, ways to resolve urgent problems, at theoretical and practical levels, were proposed which concerned such essential national priorities as the creation and development of Ukrainian aviation and space industry, and the transformation, reconstruction, and development of the military-industrial complex. In addition, we can deduce from the name of the conference that its goal was not limited to these aspects. World-famous scientists from Ukraine, Russia, and Germany participated in this conference. General environmental problems were addressed; certainly these are not only Ukraine's problems, since currently space and environment have become a common problem of many states and nations. Thus, the forum in Dniepropetrovsk (which, as a matter of fact, was of a unique nature primarily for Ukrainian scientists and experts) resulted in combining financial and scientific efforts, and those of governmental and non-governmental organizations. (We also need to mention the non-governmental International Institute of Global and Regional Security as one of the organizers).

An additional important feature of the Fund's practical activities is the fact that it has recently signed a prelim-

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inary agreement on information and scientific cooperation with the Rand Corporation, a scientific and research organization which has significant influence in shaping U.S. Government policy in the area of national security. A delegation from the Fund is going on a trip to Washington in September 1995 to participate in the scientific conference "Expansion of NATO and Ukraine's Security"; at the same time, specific plans for cooperation between the two organizations are envisaged. In reality, partnership with the RAND Corporation means that Ukraine (through the Research Support Fund in the area of national security) will have the possibility to influence — by certain means — the formation of U.S. policy toward Ukraine. We will see in the immediate future how these possibilities will be used; currently, however, it is worthwhile to underline that the invitation for cooperation from such an authoritative organization as the RAND Cooperation is by itself a positive result of the Fund's previous activities, and also a kind of approval of its choice of activities.

Government Pumps Money Into Coal Industry

WS1108083395 Kiev INTELNEWS in English 0029 GMT 11 Aug 95

[By Oleksandr Shtolko, "Special to INTELNEWS"]

[FBIS Transcribed Text] Kiev, Aug. 10 — The government has finally made good on its promise to bail out Ukraine's financially strapped coal industry.

Ukraine's leadership has been caught between a rock and a hard place in trying to avoid both unrest among miners — many of whom are still owed three-months back pay — and inflation.

As a result, nearly KBV4 trillion in government-backed credits is in the process of pumping itself into the nation's money supply to pay the industry's back debts and an additional KBV13 trillion is being earmarked for capital investment.

The Cabinet of Ministers and the National Bank of Ukraine ordered Monday that three banks — PromInvestBank, Bank Ukrayina and PrivatBank — emit KBV3.948 trillion by Aug. 20 to cover the Industry and Energy ministries' debts to coal-mining enterprises as of Aug. 1.

The resolution also promised to stabilize the work of the enterprises through the coming fall and winter, making oblast administrations responsible for clearing the debts by the imposed deadline and providing community consumers with fuel.

By Aug. 21, the oblast administration chairmen are obliged to report back to the Prime Minister on the clearing of the debts.

The funds are supposed to be directed through the Finance Ministry within 10 days to UkrVugleZbut (Ukrainian Coal Distribution) and the Coal Ministry.

In reference to the money allocated for capital investment, the resolution also ordered the NBU study the possibility of crediting the Coal Ministry for purchases of equipment and materials needed to renovate 108 coal faces.

Ukraine's karbovanets has lost nearly 7 percent of its street market value over the past week; going from KBV151,000 on Aug. 3 to KBV161,000 Aug. 10, as information about the impending credits and the announced government intention to switch to a new currency, the hryvnia, both affected the money markets.

Minister Views Coal Industry Restructuring

954F3002A Kiev NEZAVISIMOST in Russian 2 Aug 95 p 2

[Report on interview with Anatoliy Kinakh, deputy prime minister of Ukraine for industrial policy, by Larisa Artemchuk, UNIAN; at an extraordinary plenum of the miners union; date not given: "Deputy Prime Minister Anatoliy Kinakh: 'We Must Conduct a Full Restructuring of Ukraine's Industry'"]

[FBIS Translated Text] The arrival of Anatoliy Kinakh at the extraordinary plenum of the miners union only a week after he was appointed deputy prime minister of Ukraine for industrial policy was a rather significant step. In his speech at the plenum Minister of the Coal Industry Viktor Poltavets emphasized in a satisfied way that the coal industry is the first industry with which the new deputy prime minister started his work.

Anatoliy Kinakh answered journalists' questions:

[Correspondent] Can it be said that the tendency in government policy has changed in favor of the coal industry?

[Kinakh] Development of the coal industry is one of the most realistic ways of reducing the dependence of our state on supplies of energy sources from abroad. I think that the policy of the new government regarding this industry will be based precisely on this thesis. The coal industry is now in a state of deep crisis. In general, like the entire economy of Ukraine. Unfortunately, to this day all we have had are declarations and not a purposeful policy with respect to industry. This leads to the transformation of the country into a raw material appendage of the West.

[Correspondent] Why is Ukraine buying more and more coal in Russia and Poland at a time when our own coal industry is reducing the volume of mining this hard fuel

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at a fast rate, and indeed when mined coal is lying idle in coal dumps?

[Kinakh] In my opinion, in our country, starting in autumn 1994, control, state regulation of internal prices for coal, was lost. The changes that occurred in the karbovanets rate of exchange relative to the dollar were incommensurate with the changes in wholesale prices for the basic types of industrial products. The consequences of such an imbalance led to significant losses, and they will still inflict tangible blows on the economy of the state. One of the consequences is that the price of Ukrainian coal on the internal market converted to dollars climbed 15-20 percent higher than the level of world prices. And the main consumers, naturally, reacted to this: They began to buy coal abroad, thus indirectly investing in the coal industry of Russia and Poland and providing the wages for the miners there. Now one of our priority tasks is to eliminate unnecessary unproductive expenditures from the cost of our coal. This especially concerns costs for the maintenance of sociocultural facilities of mining population centers. At the same time it is necessary to find and implement all energy supply capabilities in the industry and to increase production efficiency. Moreover, the new Ukrainian Government has already taken the first step toward equalizing prices on the internal market for imported and local coal by means of establishing customs rates, and the Supreme Council has adopted an appropriate decision.

As for the program of closing unprofitable mines, I have not yet been able to familiarize myself with it in detail. But I can say preliminarily: I think that it is necessary to close mines that it is no longer profitable to develop. But it is necessary to do so in a systematic and phased way, providing capabilities in the program for job placement of released workers, retraining of manpower, financing of the housing-municipal sector and the infrastructure and social and cultural facilities of mining cities and settlements, and the conduct of ecological measures, etc.

[Correspondent] The question of the transfer of sociocultural facilities that are now maintained by mines and other enterprises of the coal industry to municipal ownership has already been debated for the third year. Several decrees and edicts have been issued in this regard. But clubs, palaces of culture, stadiums, kindergartens, children's and youth sports schools, and various interest clubs are still "dependent" on the coal miners and are barely staying alive, and some have been closed. This year a good half of the children's summer camps did not open. When will the announced transfer of these facilities to the maintenance of local budgets occur, and when will the price of coal be released from this burden?

[Kinakh] This problem cannot be resolved with one edict or decree. It has to be resolved in phases, and the process will take at least two to three years. But it is necessary to start the first phase right now. We committed the Ministry of the Coal Industry in the course of a week to submit a proposal on those facilities that have to be transferred first of all to municipal ownership, in order to calculate the costs in the compilation of the draft budget for 1996. When these resources are placed in the budget, things will really begin to move. But for the time being the transfer of such facilities, if it does occur, is occurring hastily, while the owner is unable to maintain them at all and it is prohibited to close a facility.

[Correspondent] Of late almost all the resources that enter the accounts of coal enterprises go for miners' wages (however, they are paid with a delay of one and a half to three months) and for urgent payments. There are not enough resources even for reproduction, let alone for a stadium. But the miners consider the level of their wages insufficient, and are demanding a wage increase. What do you think about this?

[Kinakh] The first task now is to pay miners' wages and eliminate all wage debts. We made an appropriate decision last week so that consumers would be able to count on the coal and enterprises of the coal industry would be able to pay off postponed wages for May, and before the end of July begin to pay off those for June. But the problem here is not that almost all resources go for wages. But that, in addition, their level among miners is really not that high. The prestige of the miners union has fallen sharply of late. I agree that it has to be raised, and the other day the question was discussed in the government. We came to the conclusion that it would be able to regulate this situation at the level of decrees of the Cabinet of Ministers and edicts of the president of Ukraine, until the Supreme Council makes suitable changes and supplements to legislation in effect, which will require considerable time. For this it is first of all necessary to clearly define priority directions in the development of the industry and to establish a program of actions.

In my opinion it is necessary to conduct a tough financial and credit policy in order to lower the rate of inflation. But while resorting to macroeconomic measures for this, we should be alert to what consequences these measures will entail at the microeconomic level. Generally, in agreeing to assume the position of deputy prime minister for industrial policy questions, I set as one of the main tasks for myself to ensure that the adoption of government decisions and documents occurs without fail on the basis of a scientific approach, with preliminary clear calculations, forecasting results, and taking

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into account all possible consequences for specific enterprises and for the people.

It is very likely that we no longer have the right to make mistakes and omissions. The constitutional agreement must be reinforced on the part of the executive authorities with specific positive results in an economy that requires radical reformation. There is no road back. We must conduct a complete restructuring of Ukraine's industry.

[Correspondent] In your opinion, where is it necessary to begin?

[Kinakh] We have enterprises that manufacture products whose shortage impedes the development of entire branches. Such situations have to be corrected through state measures and centralized intervention. The state must promote the development of those industries whose products are competitive on the foreign market. Here there is no avoiding stimulation at the macrolevel, if by this is meant state subsidies. But it is also necessary to actively attract both external and internal investments. To create conditions to interest commercial banks in investing resources in the development of industry and also to attract the substantial money that is now in circulation in the shadow economy.

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Belarus

Lukashenka Deplores 'Extremism' in Foreign Policy

LD1008182295 Moscow INTERFAX in English 1646 GMT 10 Aug 95

[From the "Diplomatic Panorama" feature: reports by diplomatic correspondents Aleksandr Korzun, Igor Porshnev, Yevgeniy Terekhov, and others]

[FBIS Transcribed Text] MINSK, August, 10 (INTERFAX-WEST) — The Belarusian President Alyaksandr Lukashenka sees his mission in conducting a foreign policy that would be supported by most citizens, and not a handful of politicians, deputy chief of the presidential staff Vladimir Zametalin said in an interview on Thursday [10 August].

Lukashenka argues that none of the foreign policy concepts available has anything to do with real life or the interests of ordinary people.

"The president is certain that the Belarusian foreign policy must not be a hostage of either extreme nationalism or any other idea. Any extremism suppresses the interests of ordinary people and invariably results in confrontation, conflicts and casualties", Zametalin said.

He believes that "in foreign policy the most important thing for the president is not some far-fetched idea, time-serving considerations or attempts to please the West or the East, but the interests of Belarusian citizens irrespective of what language they speak or what gods they pray to."

Zametalin said President Lukashenka was certain that in its foreign policy the Belarusian leaders had managed to avoid major mistakes that would aggravate inter-state relations or jeopardize the country's security.

He also said that Lukashenka would never take foreign policy steps that would infringe people's interests or endanger their lives or health.

Government Cracks Down on Economic Crime

LD1008172095 Moscow ITAR-TASS in English 1601 GMT 10 Aug 95

[By Viktor Kuklov]

[FBIS Transcribed Text] Minsk, August 10 (ITAR-TASS) — Belarus' Cabinet adopted a resolution on taking tougher measures to crack down on economic crime and establish order at the checkpoints on the state border.

According to the resolution, the growth in economic crime is due to lack of the control of law enforcement agencies and state bodies over economic activity.

In this connection, ministers and other high government officials were called to take immediate measures to intensify crime-fighting in the economic field, increase personal responsibility and take a series of steps to prevent criminal offences and administrative abuse at the checkpoints.

The Cabinet instructed the Interior Ministry, the State Security Committee, the State Customs Committee and the Justice Ministry to prepare and within two months submit to it proposals on making changes in the current legislature concerning crime-fighting in the economic field.

The Finance Ministry, the Interior Ministry, the National Bank and the Association of Belarusian Banks were instructed to prepare and within two months submit to the Cabinet a presidential bill on providing security for the state monetary system.

The State Customs Committee, the Border Guard Service, the Interior Ministry and the State Security Committee were ordered to elaborate and approve regulatory enactments banning officials of the above-mentioned institutions from possessing cash, including foreign currency, when they are on duty at checkpoints.

A disciplinary statute of the Belarusian customs institutions will be worked out as well. In addition, a training centre will be created for them.

List of Properties Subject to Privatization Detailed

WS1108083895 Minsk BELAPAN in English 0655 GMT 11 Aug 95

[FBIS Transcribed Text] According to information received by BELAPAN, the Ministry of State Property Control and Privatization (MSPCP) has adopted a list of state-owned establishments to be privatized in 1995. The list was compiled according to privatization programs taking into account company staffs' proposals. It comprises 624 enterprises and organizations, in particular, 72 institutions owned by the Ministry of Culture, 77 — by the Ministry of Agriculture, 52 — by the Ministry of Transport and Communications, 83 — by the Ministry of Construction and Architecture, 38 — by the Ministry of Production, 41 — by the "Belnaftapradukt" [Belarusian oil products) company, 201 — by the "Belselstroy" [Belarusian rural construction] company, 70 — by other ministries and departments. Among enterprises owned by the Ministry of Production there is the Belarusian Union "Belmedpreparaty" [Belarusian medicine] (Minsk), the Mazyr "Belaruskabel" [Belarusian cable] plant, The Homel Scientific Union "Raton", the Minsk October Revolution Machine-Building Works, the state-owned enterprise "Minski Zavod Kalyosnykh Tsyahachow" (Minsk Prime Mover Works), the Minsk Kirov

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Machine-Building Plant, the Minsk "Belvar" Union are to be privatized this year. The MSPCP instruction provides the possibility to change the list taking into account proposals from enterprises subject to privatization.

Moldova

Premier: Government 'Fulfilled Duty' to Population

AU0908144195 Chisinau BASAPRESS in English 2015 GMT 8 Aug 95

[FBIS Transcribed Text] Chisinau, BASAPRESS, 8/8/1995 — Despite the bad politics which is being made in Moldova, the cabinet of ministers designated by the governing party will go ahead with its activity as long as it enjoys the Parliament's support, Premier Andrei Sangheli declared during a telecast on national television. The head of the cabinet said the important economic and political assistance from abroad Moldova had benefited of was due to his entire team as well as to certain ministers. In his opinion, the Government's dismissal, claimed by the opposition, is groundless also on the reason that moral and material investments have been made into every minister, while an alternative team would have to start from scratch. Sangheli said the Government would present a report to the Parliament in October on its activity since the spring of 1995. It will have enough proofs, in Sangheli's opinion, to show that the executive organ "has fulfilled its duty before the population." He rejected the allegations about the reforms cessation by the present members of the Government, invoking the quote of 80 percent of the non-state sector in agriculture. Premier Sangheli disapproved of the 13 parliament members' resignation from the Agrarian Democratic Party [PDAM], asserting it was not a tragedy for PDAM. "On the contrary, their entrance in the party can be qualified as a tragedy", added the prime minister, without specifying whether he was hinting at President Snegur. The premier said he nourished great expectations for the PDAM congress, scheduled for the beginning of September when they are going to pronounce themselves over the party discipline and over the possible factionalism.

Premier Sangheli stated on Moldovan television yesterday that there was no governmental project or any intention to consider setting up a Moldovan-Swiss joint venture "Seabeco-Silva." Previously, the Chisinau ecological press published a draft decision signed by Vitalize Gorincioi, minister of food and agriculture, that a 6,000 ha surface of natural reservation area in central Moldova was to be leased for 99 years by the company in question.

Theodor Obada, scientific researcher at the Zoology Institute of the Academy of Sciences, told BASAPRESS that in this project the import by the respective firm of some new species of plants and animals as well as remission of taxes for the first 5 years were stipulated. He said the 99-year term is unacceptable for one reason that the current Government does not assume responsibility for the ecological harm likely to be done once a positive decision is made in this respect.

Alecu Renita, chairman of the Moldovan Environmental Movement, told BASAPRESS that "this project failed because it was made public by the ecologists, aroused population's disapproval and received negative notice on the part of the Environmental Department and the Ministry of Economics. For these very reasons governmental officials pretend not to have heard about the project in question," Renita added.

INFOTAG Examines Current Political Situation

AU1108063195 Chisinau INFOTAG in English 1940 GMT 10 Aug 95

[FBIS Transcribed Text] Chisinau, INFOTAG, 10/8/1995 — By the end of July, political passions in Moldova had somewhat died down. Exhausted in endless debates and furious quarrels with one another, the deputies took a summer recess so that to come back in autumn and clarify everything to the end.

Small parties have subsided in a silent expectation watching how the wind will blow and analyzing whom they should join in this or that situation. The bigger and stronger ones are thinking how to strengthen their positions. And though some people are seeking to show that nothing has happened in the republic, one cannot neglect the recent split in the ruling Agrarian Democratic Party (PDAM) and a realistic perspective of emerging a powerful pro-presidential party with a program fairly attractive to the electorate.

As for the electorate, most of the people live by themselves. Without wages and pensions, under the threat of cholera and every- day stresses, they are too far from the political passions. Perhaps, only a thin layer of politically-active Chisinau residents are vividly discussing the latest events relating to the re-grouping of political forces.

This layer does not include the 70 percent of citizens which would not have listened to any persuasions during the latest local elections and would not have come to polling stations. And it is quite probable that they will stay at home also at the next elections if none of parties is able to offer a well-argumented program and reliable guarantees of its implementation. Those parties and movements which seriously consider their political future have not yielded to a temptation to

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lock their offices and to go relax on European beaches. This applies first and foremost to a new force — the Party of Revival and Accord. Its constituent congress is scheduled for August 26, and its initiative group is busy preparing the forum and actively working out party's program documents, is recruiting new party members, sometimes even despite their membership in other associations.

Judging by everything, the new party wishes to become the most centrist of several centrist forces in the republic. This doctrine fully takes into consideration the psychology of the Moldovan people who are traditionally alien to any extremism and radicalism, and who may support the party if it really seeks to restore harmony in the society that was split in early 1990s.

Besides this, such a centrism may appear attractive not only for the Philistines, but also for some small parties which, despite their certain age, still cannot be called a serious force: they have no representatives in parliament and, therefore, are not backed by the electorate.

These so-called "asphalt" parties, whose activities do not normally expand beyond the limits of Chisinau, now have a chance to merge with the Party of Revival and Accord and to somehow prove their "right for existence" — at least as a part of another stronger force.

All this was quite evident already at the first meeting of the initiative group which was attended not only by President Snegur, the mayor of Chisinau, several parliament deputies and other prominent city figures, but also by representatives of several political camps which are getting more and more strong at present. Their attendance seems to have nothing in common with just an idle curiosity, because similar meetings of other parties are normally attended only by a handful of observers.

Seeking to prevent losses in its well-settled camp, the electoral Alliance of Democratic Forces urgently convened a special meeting and hurried to announce officially (even in the absence of representatives of two constituent movements who were on leave at the moment) that it "has recognized an expediency of transforming the Alliance from electoral into permanent one." This measure will hardly prevent the departure of those who wish to quit, but it may well inflict damage to the Alliance's leading force — the United Democratic Congress, and, hence, to the Alliance upon the whole.

Its constituent small parties, formed specially for certain elections, have long ago lost their identity and represent nobody but a couple of their own leaders. Instead of inevitable political death, they can now "catch their breath" in the Alliance and may emerge at the right moment, and may even hope to get a seat or two in parliament — together with the United Democratic Congress. The very "expediency" of transforming the Alliance into a permanent association has caused strong internal contradictions and, despite the intentions cherished by the authors of the idea, may have an opposite effect — it may split the Alliance in which principal differences and struggle for leadership are a "tradition" as old as the Alliance itself.

Till now, the leaders of constituent parties and of the Congress managed to hide the differences from public eye. However, they will hardly manage to succeed in that any longer, because the autumn-scheduled Session of the United Democratic Congress is very likely to disclose them in full, after which the unity will become very questionable.

There is no summer vacation for other centrists, either, who are also dreaming to fill the already over-crowded political center. This applies primarily to the recently established Party of Social Progress (PPS) which is striving to play the role of "society's leading force." Its founders stated from the very beginning that they were not going to tempt anybody over to their side and would place emphasis first and foremost on the 40 percent of the electorate who showed a complete indifference at the latest local elections.

Despite that, PPS leaders are in active political consultations, and one cannot neglect their possible cooperation with somebody for the good of common goal and in a struggle for supreme power.

So far, the consultations tackle only separate problems. The Party of Social Progress — jointly with the Socialist Party and the Party of Economic Revival — have suggested to organize a round-table discussion between all political forces from both sides of the Dniester. Evidently, the PPS wishes to take the initiative in the Dniester settlement, of which it announced openly at the moment of its foundation.

Alongside with concrete programs, it will be very essential for all parties to have one more element — a prominent leader. This circumstance may play a crucial role, because due to Moldovans' persisting mentality practically everybody here keeps on believing "in hero and tsar" able to solve all problems instantly. Proceeding from that, the presence of a leader will largely decide the success of a party. With that regard, the opposition forces are less happy, because there is not a single outstanding and universally recognized leader in their camp. The former prime minister Mircea Druc has moved over to Bucharest and is, thus, not fit for the role at present. And new leaders of that size are just not available.

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President Mircea Snegur is quite able to consolidate the society around his new party, for his rating is sufficiently high for that. And those who dislike him may join the PPS which is considered to be a Petru Lucinschi's party. And though the Parliament Speaker denies that, the still vacant post of the PPS leader and his closeness with PPS founder fathers are evidences that on the eve of presidential elections Mr. Lucinschi may be "unexpectedly" offered the post, and he will not refuse.

To find their proper place under political sun, new parties will — in that way or another — be squeezing out those rivals who have already occupied a position in the center of the political arena. First and foremost, this applies to the Agrarian Democratic Party. And though its chairman Dumitru Motpan is suggesting to make no tragedy out of the split and is saying that dissolution of the Parliament is impossible because the forum remains able-bodied, it is quite evident that exactly the agrarian democrats are suffering an acutest crisis which may become fully exposed at the extraordinary congress to be held on September 2.

According to some data, the agrarians have already come to face certain difficulties in convening the congress. Some PDAM subdivisions in the localities are considering which congress to send their delegates to — to the September 2 forum, or to the one to begin a week earlier. Besides, the agrarian democrats seem to have overlooked the fact that two MPs — members of the PDAM parliamentary faction — have joined the leading structures of the PPS. If also to take into account that both the Parliament Chairman and his recently elected Deputy, Dumitru Diakov, are not and will hardly ever become PDAM members, then the position of the so far ruling party becomes more and more uncertain.

The election of Mr. Diakov (not the PDAM faction chairman Anatol Popusoi or prominent lawyer Victor Cecan) to the post indicates that agrarian democrats are ready to accept any compromises for the sake of preserving the Parliament and its workability. By by over-indulging in such compromises, the agrarians may lose their own face and become a mere instrument in the hands of other political forces. In this context, perspectives of forming a covert or overt coalition with the Socialist Unity faction become evident and only prove the words of an opposition leader who said that "the PDAM is in the hands of Prime Minister Andrei Sangheli and the socialists."

It is hard to say whether or not the majority faction will manage to "keep at home" the remaining deputies, and whether or not some of them will follow the example of the recent 11 "schismatics." Such danger is felt by agrarians themselves who cannot hide their irritation, make harsh statements, and expelled all dissidents from the party — including 3 MPs who had been elected to parliament on PDAM lists but had never been PDAM members.

The current political lull before an autumn storm is marked with an evident confusion and lack of space in the political center. In such circumstances, re-grouping is inevitable, and any unexpected coalitions are possible.

A relative tranquility is only guaranteed to those forces which form the extreme sides of the political arena — the Christian Democratic Popular Front on the right, and socialists and communists on the left. However, the socialists' calmness is only relative. At the latest local elections, communists have deprived them of the lion's share of the electorate, and have already formed their own mini-faction of 5 deputies inside the parliamentarian Socialist Unity faction. One more socialist MP joined the Party of Social Progress. And though the six remain faithful to the faction's electoral platform, nobody can now consider the faction so indestructible as it may seem at a first glance.

On the eve of several congresses, party conferences and coordination board sittings scheduled for the coming autumn, one can only state that the political situation in Moldova is extremely intricate. One thing is clear: all parties will be able to count their chicken only after they are hatched. Some parties may lose some of their members, and the republic in general may lose whole parties as such.

Political Changes Could Damage Chisinau-Tiraspol Talks

LD1008140795 Moscow INTERFAX in English 1146 GMT 10 Aug 95

[FBIS Transcribed Text] TIRASPOL, Aug 10 (INTERFAX) — Chairman of the Supreme Soviet of the unrecognized Transdniester Moldovan Republic Grigore Marakutsa believes that the changes happening on Moldova's political scene, in particular, "the disagreement among the country's supreme leadership" could damage the political dialogue between Chisinau and Tiraspol.

In an interview with INTERFAX Thursday [10 August] he pointed out that these factors "do not assist in developing Chisinau's single position with respect to Transdniester."

There was a collapse in Moldova's leading Agrarian-Democratic Party early this summer after the republic's President Mircea Snegur and eleven parliament deputies left the party.

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Speaking about creation of a new presidential party Moldova's Revival and Accord Marakutsa expressed concern over the last moves of its leader, Mircea Snegur, aimed at the country's further "Romanization." He explained that he primarily means another initiative of the head of the state to change the name of the official language, the "Moldovan" language for the "Romanian" one. Marakutsa views this as "a flirtation with Chisinau's moderate nationalist forces who are disguisedly in favor of Moldova's and Romania's unification."

Marakutsa underlined that Tiraspol categorically opposes the idea of "Romanization" in any fields because this "will not promote to settling the conflict in Transdniester."

14th Army Begins Redeployment in Dniester Region

LD1008175995 Moscow NTV in Russian 1500 GMT 10 Aug 95

[FBIS Translated Text] The process has begun of winding down the 14th Army, which is stationed in the Dniester region, though it is not described quite as bluntly as that there. Sergey Barabanov reports from Tiraspol.

[Barabanov] Golden rain is falling lavishly upon the shoulder-straps of Russian generals. Valeriy Yevnevich, head of the operational directorate of the group of Russian troops in the Dniester region, has been promoted to lieutenant general. In the less than two months he has been in his post, Yevnevich has managed to find a common language with the local authorities, and very soon equipment suitable for use in the national economy — as it was described — will be handed over to the Dniester Region. This is the property of communications units, chemical warfare units, defense and engineering forces. The question of handing over to Tiraspol the territory of the military camp in the district center of Sloboda is also being considered. Handing over equipment to Chisinau is currently not under discussion.

[Begin Yevnevich recording] We are handing over part of the nonmilitary equipment to the Dniester region because there are a lot of problems there. The equipment will be used here for the needs of the national economy. [end recording]

[Barabanov] Agreement has been reached with President Igor Smirnov on resuming destruction of munitions in a quarry near the town of Rybnitsa next week. Already half of the mines dating from 1935 have been blown up. Both specialists and the local populace were alarmed at the state these were in, but last week the explosions were banned under pressure from ecologists. But it is still planned to destroy the other half of the mines before the end of August. Within the same period it is planned to dispatch the first of four trainloads of military equipment to Russia. Ukraine has evidently agreed to transit these through Ukrainian territory, according to available information.

The military stress that what is going on now is not the start of the fulfillment of the agreement between Moscow and Chisinau on the withdrawal of the Russian contingent — still not ratified by the Duma incidentally — but simply the redeployment of forces and equipment, which fully comes within the competence of the Ministry of Defense.

[Begin Yevnevich recording] There can as yet be no question here of the withdrawal of weapons of 14th Army subunits because we have not been set such a task. [end recording]

[Barabanov] The changes have affected personnel too. The new commander has cut the administrative staff of the operational group by 45 percent, something that his predecessor Aleksandr Lebed vociferously objected to. Rumors are rife among the officers that direct cuts in the units are on the agenda too.

So, the process of cutting the former 14th Army has got under way in some measure, albeit slowly. What it will lead to depends now not so much on the military as upon the politicians in the Moscow-Chisinau-Tiraspol triangle, perhaps with some involvement on the part of Kiev.

Premier Wants Dniester Schools To Use Latin Script

AU1008112695 Chisinau INFOTAG in English 1724 GMT 9 Aug 95

[FBIS Transcribed Text] Chisinau INFOTAG, 9/8/1995 — Prime Minister Andrei Sangheli has called Dniester region leader Igor Smirnov to allow local children to study the Moldovan language using the Latin script, with the consent of their parents.

In his open letter sent to Igor Smirnov on the new school year eve, the prime minister points out that "we have no right to upset the children's mood on such a special day." "To our great regret, the conflict-like situation, which emerged in the Dniester region last year due to the known reasons, had its negative consequences on schools, too. I beg you to use all your rights and possibilities to fully solve the problem of allowing the Dniester children to study their native language using the Latin script, in case their parents wish them to," the message reads.

"The solution of the problem will be a positive step in the rapprochement of the positions of Chisinau

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and Tiraspol in settling the Dniester conflict and will strengthen the just started integration of the sides in the framework of the integral, sovereign, and independent state — the Republic of Moldova," Sangheli wrote.

BACKGROUND INFORMATION: The prime minister's appeal was caused by last year's ban imposed by the Dniester Administration on teaching the Moldovan language on the basis of the Latin alphabet. The Dniester Education Department believes the Moldovan language should use only the Cyrillic script, and the Latin one is for the Romanian language. Tiraspol refuses to recognize the identity of the two languages.

Such an attitude caused serious conflicts in region's schools last year. Most Moldovan parents wish their children to use the Latin script while studying the language, and they demand school teachers to use the same education programs as the ones in right-bank Moldova, because otherwise the children will lose a possibility to continue studies in higher and vocational educational establishments in Moldova. However, the problem still remains unsolved.

Sangheli Sees Early End to Economic Crisis

LD1008195995 Moscow INTERFAX in English 1711 GMT 10 Aug 95

[From the "Presidential Bulletin" feature, compiled by Nikolay Zherebtsov and Andrey Petrovskiy and edited by Vladimir Shishlin]

[FBIS Transcribed Text] The government keeps the situation in the republic under control and the economic crisis could be overcome as early as in 1995, Prime Minister Andrei Sangheli told INTERFAX.

Sangheli said, however, that the government should be given a chance and its performance should not be judged by interim results.

He explained that the government will continue in office as long as parliament trusts it. "We are a government of the ruling party and have to pursue the party's policy," Sangheli said and added that the government will present a detailed report on its work to parliament next fall.

In his words, the government is prepared to resign and none of the ministers will be worse off in the case of resignation but the rebuilding of the country's economy would have to start from scratch in this case. Sangheli recalled that the ministers are professionals who have the confidence of international financial institutions such as the World Bank, the European Bank for Reconstruction and Development and the International Monetary Fund as well as the Moldovan population.

Sangheli said that the signing of an agreement on extending the most favored nation status for Moldova by U.S. president Bill Clinton signified that country's support for the economic liberalization policy. In Sangheli's words, over 4,500 kinds of Moldovan products can now freely enter the U.S. market.

Sangheli would not dramatize the situation in the aftermath of President Mircea Snegur and a group of MPs leaving the ruling Agrarian-Democratic Party. He emphasized that the government "does not attach great importance to political differences and focuses on burning economic issues."

Sangheli said that the Moldovan currency, the leu, has stabilized and the production increased as a result of the reform. In his words, the July industrial output was 109 percent of the June output and the export in the first half of 1995 increased by 22 percent on the same period in 1994. For the first time in four years the export exceeded the import by 12 percent.

Sangheli emphasized that Moldova has entered the world wine market. He hoped that the wine export will become a stable source of revenue.

He made it clear that while increasing its export to the West, Moldova should by no means lose the ground in the CIS markets.

Sangheli said that with the good harvest in 1995 Moldova will be able to export food grain. In his words, Moldova without the Dniester west bank areas has harvested nearly 1,700.000 tonnes of grain.

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Kazakhstan

President Meets Azerbaijan's Aliyev, Other Officials

LD1008195895 Moscow INTERFAX in English 1711 GMT 10 Aug 95

[From the "Presidential Bulletin" feature: compiled by Nikolay Zherebtsov, Andrey Petrovskiy, and edited by Vladimir Shishlin]

[FBIS Transcribed Text] Kazakhstan is still to join the world community as a full-fledged member, President Nursultan Nazarbayev has said. He was speaking at a special conference in Almaty timed for the 150th anniversary of the Kazakh poet and educator Abai Kunanbayev.

President Nazarbayev said that Kazakhstan was going to conduct an active economic reform policy and remain committed to democracy. He said that the draft constitution he had presented was called to help Kazakhstan through the transitional period. "We need a fundamental law that would plug us into the universal humanitarian process", President Nazarbayev.

He described the celebration of Abai's 150th anniversary under the auspices of UNESCO as cultural introduction of the Kazakh people and Kazakhstan to the world. In particular he pointed to Abai's call for peace and his warning against inter-ethnic discord. "Kazakhstan has not yielded to the eroding influences of chauvinism or radical nationalism", President Nazarbayev said.

He said that poet and composer Abai was one of those celebrities who made an invaluable contribution to world civilization and to the culture and ethnic identity of the Kazakh people. He also said that Abai was a firm advocate of close bonds with Russian civilization, because he was certain that by virtue of historic realities of his day Kazakhstan should be part of Russia.

The festivities are attended by UNESCO's Director-General Federico Mayor, President Geydar Aliyev, of Azerbaijan, President Askar Akayev, of Kyrgyzstan, President Mintimer Shaymiyev, of Tatarstan, Russia's Deputy Prime Minister Yuriy Yarov, Iran's Foreign Minister 'Ali Akbar Velayati and other officials.

Jubilee celebrations will take place in the Semipalatinsk region on August 10-11. Earlier Abai's 150th birth anniversary was marked in Paris, London, Moscow, Turkey, China, Uzbekistan and Kyrgyzstan.

In the course of his visit to Almaty President Geydar Aliyev, of Azerbaijan, met with his Kazakh counterpart Nursultan Nazarbayev.

They discussed the joint use of the Caspian Sea and other questions of economic operation.

Nazarbayev accepted Aliyev's invitation to pay a visit to Baku shortly.

Kazakhstan's Foreign Minister Qasymzhomart Toqayev has said that Kazakhstan and Azerbaijan were narrowing their differences on the Caspian sea issue. Kazakhstan believes that the Caspian states must pool their efforts to formulate a legal status of the Caspian sea.

At President Nazarbayev's meeting with the Russian Deputy Prime Minister Yuriy Yarov bilateral ties within the framework of the CIS were the focus of attention.

Yarov told journalists afterwards that integration between Russia and Kazakhstan was gaining momentum and said it was very important to preserve the assets accumulated over many centuries. In particular he noted the fact that bilateral economic ties were developing not only at the inter-state level, but between individual enterprises and businessmen, too.

Yarov said that a whole range of humanitarian problems was discussed and that President Nazarbayev had promised to help open a Slav House in Kazakhstan.

Yarov said that Russia's Deputy Prime Minister Aleksei Bolshakov was due to arrive in Almaty on August 17 to sign a big package of agreements on a customs union.

EBRD Unhappy With Gold Mining Industry

MS0908124695 London FINANCIAL TIMES in English 9 Aug 95 p 25

[Article by Kenneth Gooding: "Kazakhstan Gets Black Mark From EBRD"]

[FBIS Transcribed Text] Kazakhstan has damaged its reputation in the global mining industry and in the development banking community by the way it has handled joint venture arrangements for Vasilkovskoye, reputed to be one of the three biggest gold deposits in the world, in the central Asian republic's Kokchetav region.

The European Bank for Reconstruction and Development [EBRD] gave a clear hint of its displeasure recently when Mr Sergey Popov, a director of EBRD's natural resources group, said that the bank would not be offering financial help to the Vasilkovskoye project. There was no proper tendering process as required by EBRD rules, he pointed out.

Analysts suggest it also seems unlikely that the International Finance Corporation, the World Bank offshoot would provide finance in view of the EBRD's attitude.

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Mining companies, meanwhile, were dismayed at the way the Kazakh authorities earlier snatched the project away from Dominion Mining, the Australian gold company, which believed it had exclusive negotiating rights to the project. Dominion spent several million dollars exploring and proving reserves at Vasilkovskoye, where gold was first discovered in the mid-1960s and which is now estimated to have 13.5 million troy ounces, worth US$5bn at today's price. The Kazakh authorities used some of Dominion's data when the project was put out to open tender in December last year. Instead of having exclusive rights, Dominion suddenly, and without adequate explanation, found itself competing with some of the world's biggest mining houses, including RTZ of the UK, BHP and Western Mining of Australia and Canada's Placer Dome.

The EBRD assisted Altynalmas, the Kazakh organisation responsible for precious metals and precious stones production, in the selection of its financial adviser and also administered funds — provided from grants by the governments of Canada and Japan to pay for advisory work.

Morgan Grenfell, the UK investment banking arm of Deutsche Bank, was selected to organise the foreign investment tender and Brook Hunt, a UK-based metals consultancy organisation, provided technical support.

However, in April the Kazakh government announced it had done a direct deal to speed up the process rather than wait the year or two the tendering process might have taken. The intermediary in the deal was Consolidated Mines of Kazakhstan, a private company with Russian and Kazakh shareholders, which brought in Placer Dome, one of North America's biggest gold companies, as its partner. Placer agreed to pay US$35m immediately for an effective 27.5 per cent of Vasilkovskoye and another $45m after a due diligence exercise and clarification of various other essential points covering such things as tax and the export of the gold.

EBRD is understood to have protested about this sudden change of direction to Mr Nursultan Nazabayev, Kazakhstan's president.

Since then Consolidated Mines of Kazakhstan has been taken over by a Vancouver quoted junior mining company, Princess Resources. Princess owns 45 per cent of Placer Kazakhstan, a company that in turn will have 50 per cent Vasilkovskoye, with the Kazakh government owning the other half. Placer Dome owns 55 per cent of Placer Kazakhstan.

Mr Rajat Kohli of MC Securities, an investment bank that focuses on the Commonwealth of Independent States, suggests the Vasilkovskoye episode has certainly tarnished Kazakhstan's image internationally. "This is a pity because Vasilkovskoye is an excellent deposit, it has good reserves, the metallurgy is not difficult and costs will be low."

Kazakhstan has slipped down the league table of preferred CIS countries for other reasons, he says. Foreign investors are also becoming increasingly concerned about the number of organisations within the republic that they have to deal with before a project can move ahead. For example, cabinet approval for a mining project on its own no longer seems enough to get it started. Various approvals have also to be obtained from the central bank and from Altynalmas.

Xinjiang Region Official Discusses Trade

LD1008193495 Almaty AZIYA in Russian Aug 19 No 3 95 p 24

[FBIS Translated Excerpt] How someone in Xinjiang fights for the quality of export outputs? What us happening with the Khorgos free economic zone?

These and other questions were touched upon in the conversation held by an interviewer from the ST [news agency] with Klembayem Askhaiti, the deputy chairman of the government of the Xinjiang-Uighur Autonomous Region of the Peoples' Republic of China.

[Correspondent] Mr. Askhaiti, the figures show that the trade volume between Kazakhstan and China, and in particular, with the Xinjiang-Uighur Autonomous Region, is falling. What do you think about this?

[Askhaiti] It is true that a slump was observed last year, but analysis shows that in the first six months of this year, our economic ties increased and were activated. It was possible to predict the drop in volume of trade transactions last year. This is directly connected with the toughening of the visa regime between our countries. As we did not have a consular office in Xinjiang, it was necessary to go to Beijing, which is like going from Almaty to Moscow. From this year it is possible to get a visa without leaving Urumchi. This immediately had an influence on trips being organized, the number of which increased by 60 percent from the Chinese side. The number of those who made two crossings of the Kazakh-Chinese border doubled.

[Correspondent] You visited Almaty as the head of a delegation, in order to open the regular fair-exhibition of the Xinjiang-Uighur Autonomous Region in our republic. We saw what kind of volume of goods is being manufactured in Xinjiang today. It is clear that Kazakhstan is interested in Xinjiang as a trade partner; how interested is Xinjiang in Kazakhstan?

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[Askhaiti] There are a number of goods in Kazakhstan that are of interest to us.

[Correspondent] For example?

[Askhaiti] We are importing wool, metals, and mineral fertilizers. [passage omitted]

[Correspondent] Does Kazakhstan have guarantees against shoddy goods being imported?

[Askhaiti] Yes, to a certain degree. Although we adopted all these laws, there is another side to this problem. The level of consumption today in Central Asia and in Kazakhstan is not enough to be able to flood the markets of these countries with better quality — which means more expensive — goods. If we carry only high quality goods, then we will quickly go bankrupt because of the lack of customers able to buy them. However, a distinction must be made between middle and low quality goods, and fake goods. Fake goods are a direct fraud on the customer, and it is something against which we are relentlessly fighting. We have the best goods in Xinjiang; you can be sure of that, having attended our exhibition. The whole of the problem lies in the fact that good quality costs a lot. Today, it is possible to buy goods from China both in Japan, the USA or in Europe, where they compete with the local goods as equals.

[Correspondent] As you have mentioned also Central Asia, I would like to know your opinion on the development of relations between the Xinjiang-Uighur Autonomous Region and its Central Asian neighbors.

[Askhaiti] Among our neighbors, the largest number of ties is with Kazakhstan. It is our largest partner. It is followed by Kyrgyzstan, Uzbekistan, and the other republics. Although there are ties with Turkmenistan and Tajikistan, they are very insignificant.

[Correspondent] At one time, the Khorgos free economic zone was written and spoken about endlessly in our republic, but later it was forgotten. What state is this zone in at present?

[Askhaiti] It is not good...

[Correspondent] What is this connected with?

[Askhaiti] The question of the Khorgos free economic zone has mainly been put to one side because of Hong Kong, which has taken up the main construction financing, and is not hurrying much to implement the promises. Second, this is a free zone between China and Kazakhstan, there has still not been a definite answer from Kazakhstan as to whether they need it.

[Correspondent] Has it turned out that we were premature?

[Askhaiti] The Chinese side awaits the answer from Kazakhstan. For the present it is lacking. The capital intended for the construction has already been allocated elsewhere. That is why there is only ordinary border trade continuing in Khorgos.

Iran Agrees To Finance Aktau Port Reconstruction

LD1008125795 Almaty Kazakh Radio Network in Russian 0800 GMT 10 Aug 95

[FBIS Translated Text] Iran is prepared to allocate $49 million for the reconstruction of the Caspian Sea port of Aktau, as was announced at talks held yesterday between Serik Aligozhanov, minister of transport and communications of Kazakhstan, and Iranian Foreign Minister 'Ali Akbar Velayati. An accord was reached at the talks that experts from the two countries will meet in Aktau in a week's time to study the situation on the spot and, if necessary, make amendments to the project for the reconstruction of the port. They stressed that it is important that the port's barrage structures be built by the end of this year.

Tuyakbayev on Legal Violations in Banking

954F3016A Almaty PANORAMA in Russian 5 Aug 95 No 31, p 3

[Article By Gulmira Arbabayeva, under the rubric "The Law": "The Collegium of the Republic of Kazakhstan General Procuracy Reviews With a Critical Eye the Procuracy Organs' Activities Over Six Months of This Year"]

[FBIS Translated Text] The main topic of the report of the republic's general procurator, Zharmakhan Tuyakbayev, at the recent session of the collegium of the Republic of Kazakhstan General Procuracy was the rising number of violations of the law in the banking system, especially in the republic's northern oblasts. Among other things, he also noted violations of tax legislation. For instance, as of 1 July 1995 in Kazakhstan as a whole, total nonpayments to the budget amounted to 20 billion tenge. As an example, the general procurator named Kazakhstan Aue Zholy airline, which owes the state 600 million tenge. Two criminal cases were initiated in connection with this.

Zharmakhan Tuyakbayev also mentioned that the problem of protecting labor and pension rights and the rights of the disabled, underage, the elderly, and children has exacerbated sharply. On this subject the procurator quoted comparative statistics: While last year judiciary organs considered about 2,000 cases involving violations of the labor law and approximately 3,000 cases of violations of the housing law, over the past half-year procuracy organs reviewed about 7,500 cases involving

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reinstatement on the job and about 3,000 cases involving housing.

"These facts indicate that citizens prefer to turn to the procuracy, since, in their opinion, problems are resolved more effectively here," emphasized Zharmakhan Tuyakbayev. He said that over the past 4.5 years more than 100,000 citizens had turned to procuracy organs for help. Over the past half-year the procuracy considered petitions from 33,000 persons. As to the rights of socially unprotected population strata, the procuracy initiated more than 100 suits in defense of their rights.

It came out from Mr. Tuyakbayev's report that the procuracy currently is searching for an optimum administrative model which, according to Mr. Tuyakbayev, "will combine a strictly centralized system with maximum independence at the local level." The first steps toward expanding the independence of local procuracies showed that a habit of living by instructions from higher up is developing there. The general procurator pointed out to representatives of oblast procuracies present at the meeting that there are instances when the procuracy staff is undependable in matters pertaining to their duties, and also the frequently low quality of case-handling and failure to see cases through to conclusion.

Mr. Tuyakbayev expressed serious concern over the personnel problem: In the first half-year 270 staff members resigned from procuracy organs, 41 percent of them with five to 10 years of experience. The cause is well known, the general procurator emphasized: dissatisfaction over pay. In 1994, 64 persons were fired from procuracy organs for cause: showing up at work in a state of intoxication, commission of crimes.

In the final section of his report Mr. Tuyakbayev described the participation of the republic procuracy's best professionals in the discussion of the draft of the new constitution.

Kairbek Suleymenov, state adviser to the president on legal issues, took part in the collegium's work. He noted, in particular, that procuracy organs far from always do a good professional job in carrying out their duties in coordinating the activities of law enforcement organs and combating crime. Mr. Suleymenov emphasized that "it is not accidental that in the mind of Kazakhstan society there is not yet a clear image of the procurator as the coordinator" of law enforcement organs' actions. In his opinion, measures associated with the conduct of Operation Law and Order are vague and not preventive in nature.

Next, Mr. Suleymenov noted that the president's 17 March edict introduced changes in the activities of criminal and criminal process organs. Nevertheless, only 24 cases have been initiated under Article 63-2 of the Criminal Code "On Organizing a Criminal Group or a Criminal Community." Not a single case has been initiated under Article 63-3 "Creation or Participation in the Activities of Illegal Public Associations and Paramilitary Formations," or Article 191-1 "Unlawful Interference in Case Investigation or Initiation." Over the half-year the president's staff have not received any proposals on introducing new Criminal Code norms.

Referring to general crime statistics for the half-year—1,328 murder cases, 658 rape cases, 77 cases of embezzlement on a particularly large scale, and 48 bribery cases—Kairbek Suleymenov drew the audience's attention to another statistic: One investigator over six months of this year has managed to investigate only two difficult cases. And this is considering that the bulk of serious cases are handled by the oblast procuracies. Therefore, Mr. Suleymenov had a natural question to the gathering: What precisely are the oblast procuracies busy with?

The concluding part of the state adviser's remarks regarding Ministry of Internal Affairs activities and the just-completed collegium consisted of an appraisal, and a very critical one at that.

Edict on Setting 30 Aug State Referendum

954F3029A Almaty KAZAKHSTANSKAYA PRAVDA in Russian 29 Jul 95 p 1

["Edict of the Republic of Kazakhstan President: On Conduct of the Republic Referendum 30 August 1995"]

[FBIS Translated Text] With the aim of exercising the right of the people to directly resolve the most important issues of the state life of the country, and being guided by Article 78 of the Republic of Kazakhstan Constitution and Article 3 of the Republic of Kazakhstan Law "On Temporary Delegation of Additional Authority to the Republic of Kazakhstan President and Heads of Local Administrations," I decree:

1. To conduct a republic referendum on 30 August 1995.

2. To present the draft new Constitution of the Republic of Kazakhstan at the republic referendum.

3. To officially publish the draft constitution, as amended and supplemented taking universal popular discussion into account, on 1 August 1995 in the mass media. To simultaneously send the draft constitution to the Central Electoral Commission of the Republic of Kazakhstan.

4. To be guided by Republic of Kazakhstan legislation on republic referendums presently in effect, in the organization and conduct of this republic referendum.

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5. To entrust responsibility for organization and conduct of the republic referendum to the Central Electoral Commission, which shall fulfill the function of Central Referendum Commission, as well as to the territorial and precinct electoral commissions, which shall fulfill the functions of territorial and precinct referendum commissions.

6. That the heads of oblast, city of Almaty, city, rayon, and rayon-in-city administrations shall form territorial and precinct electoral commissions within seven days of publication of this edict, fulfilling the functions of territorial and precinct committees for the referendum, and shall establish their composition.

That the heads of administration of oblasts and the city of Almaty shall inform the Central Referendum Commission immediately as to decisions made.

7. That the Cabinet of Ministers of the Republic of Kazakhstan, and heads of oblast, city of Almaty, city, rayon, and rayon-in-city administrations shall undertake measures to provide organizational, material-technical, and financial support for the republic referendum.

8. This edict enters into force as of its date of publication.

[Signed] President of the Republic of Kazakhstan
N. Nazarbayev
Almaty, 28 July 1995

Organization, Preparations for Referendum

954F3031A Almaty KAZAKHSTANSKAYA PRAVDA in Russian 8 Aug 95 p 1

[Article by Tamara Kalcyeva, KAZAKHSTANSKAYA PRAVDA correspondent: "Referendum Results Should Be Above Suspicion"]

[FBIS Translated Text] The citizens of the country will themselves adopt a new constitution of the state for the first time in the history of Kazakhstan. This requires vast organizational work. It was to this subject that the Central Referendum Commission's first news conference was devoted.

Yu. Kim, chairman of the commission, told journalists that about 10,500 territorial and district commissions will operate in the republic and that their formation is already being completed. Lists of those who will participate in the voting are supposed to be compiled 14 days before the referendum, it will be necessary to notify them 10 days before the referendum about the voting day, place, and procedure, and by 29 August all premises will have to be ready, etc. All these dates will be strictly observed. But if citizens discover any violations of the regulations, and not only the regulations, they can report immediately to the Central Referendum Commission. Yuriy Alekseyevich announced the commission's telephone number—62-62-26—and stated that it can be reached daily, including on weekends.

Remarks have already been made in the mass media about the fact that the presidential edict on the conduct of a referendum named a date, but the question that must be answered has not been formulated yet. The chairman of the commission parried this criticism with the explanation that the 28 August edict clearly designates the subject of the referendum. The question to be entered on the ballot will read as follows: "Do you approve the new Constitution of the Republic of Kazakhstan whose draft was published in the press on 1 August 1995?" It has to be answered unequivocally—"yes" or "no." The selected answer has to be left without any kind of notes, and the rejected answer has to be crossed out.

In the ballots on the referendum of 29 April variants of answers were printed on one line: first, the positive, then the negative. It was remarked that such a form could influence the will of the citizens, and that the very sequence of the variants allegedly suggests an answer. The commission took this criticism into account in preparing for the referendum on the draft constitution. The variants of the answers will be placed in a column, one under the other.

Generally, everything is being provided for now, the chairman of the commission assured, so that the results of the voting do not raise the slightest doubt as to their objectivity. Observers from public organizations and international organizations will follow the progress of the referendum. The April referendum on extending the powers of President N. Nazarbayev provided invaluable experience. All the comments concerning inaccuracies in the voting lists were immediately eliminated at that time. The commissions do not have the right to examine complaints about violations of the law on the referendum; therefore, they were transferred to the Procuracy, and indeed there were only a total of five to seven of them. So-called family voting was also stopped when one person tried to vote for himself and his family. No references here to tradition can be justified—the constitutional principle of "one person—one vote" must be observed strictly.

The fact that the referendum was scheduled not on a rest day, as is customary, but on a work day raised a lot of questions among journalists. This was taken into account in the voting schedule, explained Yu. Kim. The voting districts will start to operate on 30 August at 0700 and end at 2000, so that people will be able to vote before and after work, and even during their lunch

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break. There will be no voting polls at the work place, and the previous principle remains—voting at the place of residence. Students will assemble at VUZ's [higher educational institutions] by 30 August, if not—they will vote where they live.

Three hundred and seventeen million tenge were allocated from the budget for organization of the referendum; not a lot, but it will have to do. Almost as many persons will be involved in its preparation as in the April referendum—at that time 87,000 persons participated on a community basis.

The central commission plans to hold two more news conferences on the progress of preparations for the referendum.

Doctor on Handling Radiation Contamination

954F3040A Almaty KAZAKHSTANSKAYA PRAVDA in Russian 9 Aug 95 p 3

[Article by Alibek Abdrakhmanov, general director of the Akmola Tamyr Medical Center, distinguished physician of the Republic of Kazakhstan, doctor of medical science and professor, and Valeriy Khasin, associate professor: "Clean Up Could Be Done, But There Is No Money"]

[FBIS Translated Text] Akmola—The Scientific Committee on Atomic Radiation Effects (SCARE), created 40 years ago within the United Nations framework, has determined that there are practically no safe doses of radiation exposure. In each specific case its effects are individual, but that it does have at least some effect is unequivocal. Now, on the passage of several decades, scientists' efforts in this respect are bringing certain results, and society is learning increasingly more about radiation and methods of combating this danger. For instance, Ukrainian geneticist V.S. Konovalov presents proof that metabolism-related "molecular diseases" pose the greatest danger. More than 100 of them have been identified at this time. And the list continues to expand, affecting the genetic fund, which has a rather large capacity.

What are scientists doing to save people's health? In collaboration with the world community, scientists have now developed detoxification (cleansing) of the body of radionuclides, salts of heavy metals, and various wastes. This is a tested method; a complete course of treatment usually lasts 15 days, and includes not only a regimen of medication, but also enhanced nutrition with large quantities of vegetables and fruit, cold-and-heat therapy, and vitamin and absorbent supplements. The experiment was monitored by British independent experts.

The results turned out extremely encouraging: For instance, the content of cesium-137 in the bodies of experiment participants dropped on average by 34.5 percent, which is three to four times more than as a result of other methodologies. Blood indicators showed positive dynamics, hearth rhythm improved, and the immune system showed increased activity.

One would think that with such scientific results in hand, the next step would be to begin treating everybody working at "contaminated" enterprises in Ust-Kamenogorsk, Aktyubinsk, Shymkent, Semipalatinsk, and many other cities. Especially considering that permission has been obtained to create here in Akmola a branch of the Moscow Health Diagnostics Center.

Our center cannot operate to full capacity, however. Why? This is a rather rhetorical question in our times: Any good idea necessarily runs into the stumbling block of absence of funds. We need medical and technical equipment to create a rehabilitation center, for instance, for Chernobyl victims. Later on, such centers could be set up at any large enterprise, so all that is holding this up is a solution to this problem. Which could be resolved at the level of oblast administrations interested in our idea of reconstituting peoples' health.

State Policy on Coal Industry Examined

954F3015A Almaty NOVOYE POKOLENIYE in Russian Aug 95 No 28, p 4

[Article by Gulnar Iskakova: "Summer in the Coal Mines—Full of Alarm and Anticipation"]

[FBIS Translated Text] Karaganda—"We condemn the policy of the state with respect to the coal industry. It is leading to the destruction of all the region's industry. The present situation of the coal miners, exacerbated by systematic neglect in the payment of wages, is exerting a radical influence on the standard of living of doctors, teachers, children, pensioners, and other oblast residents. We face the prospect of becoming lifeless cities.

"We demand that the structures of power provide state support to the coal industry and immediately pay off the wage indebtedness owed to the entire region."

Such was the underlying theme of the miners' demonstration, unapproved by the authorities, that took place in Karaganda on the square in front of the building belonging to the Karagandaugol Production Association. Similar events of protest were held in the satellite cities of Abay and Shakhtinsk.

On the eve of rally passions, the territorial council of the trade union of coal industry workers held a press

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conference for journalists of the local and republic mass media. The meeting with journalists was preceded by an unusual event that took place at the most recent session of the oblast Maslikhat. The fact of the matter is that after participating in the work of the session, leaders of the trade union of coal miners asked deputies to support miners' demands presented at a conference of the Karagandaugol labor collective and appeal to the republic government in the name of the local parliament, asking that it refrain from advancing the confrontation to its extreme stage—strike. In a speech delivered at the session, territorial council deputy V. Sidorov straightforwardly declared the readiness of the trade unions to participate in the work of a trilateral commission attempting to resolve the Karaganda Basin problem. The establishment of such a commission was envisaged by the presidential Edict on Social Partnership, dated 19 December 1994, in which the trade unions placed great hopes.

It goes without saying that the very existence of the satellite cities, which owe their emergence to the mines, is today threatened. Where, for example, will the several thousand miners of Abay, Shakhtinsk, and Karaganda go as they shut down five mines all at once? No one has even proposed money for miners' retraining and requalification—neither the coal association nor the government. What will happen to their families, their children? This too is of concern to very few people.... At least for the present.

An extraordinary occurrence took place at the oblast Maslikhat session. To the great surprise of miners' representatives, the deputies refused not only to support, but even to listen to the text of the appeal proposed in its trade union text and....they sent it for examination to one of the oblast Maslikhat committees. I for one, as an ordinary voter, still see an open question—does showing support for the miners of your oblast in their hour of need somehow degrade the status of a people's elected official?

As we know, the conference of the labor collective of Karagandaugol convened on 28 June 1995 and announced its entry into the conflict with the government. The marking of time began 29 June.

The most recent news regarding fulfillment of the miners' demands is of little consolation—examination of the question of paying off wage indebtedness has been postponed to a later date. Incidentally, as far as level of wages is concerned, the miners have slid to ninth place, moving past transportation workers, builders, petrochemical workers, and people in other occupations. According to data from the oblast Statistics Directorate, the average wage in the material production sphere comes to 6,277.4 tenge. For the coal miners, it amounts to 6,067.7 tenge. Thus, conversation attesting to fantastic wages being earned by the Karaganda miners is nothing more than rumor....

There will be a continuation to the conference of the Karagandaugol labor collective. A great deal depends on the swiftest possible convocation of the trilateral commission (the state—trade union—workers) to resolve the miners' demands. Significant hopes are being placed in the signing of the Cabinet of Ministers Decree "On Financial Assistance Measures to Enterprises of the Karaganda Basin" by republic Prime Minister Akezhan Qazhygeldin.

Tajikistan

Iran's Visiting Foreign Minister Meets Officials

Velayati, UN Envoy Discuss Peace Talks

LD1008144795 Tehran IRNA in English 1431 GMT 10 Aug 95

[FBIS Transcribed Text] Dushanbe, Aug. 10, IRNA — Iran's visiting Foreign Minister 'Ali Akbar Velayati and U.N. secretary general's representative in Tajikistan Ramiro Piriz Ballon here Thursday [10 August] discussed ways and means of restoration of peace in Tajikistan and enforcement of the previous agreements.

Both officials expressed hope that in light of the cooperation of the U.N. and the regional governments the fifth round of Tajikistan peace talks will produce positive results.

Ballon lauded Iran's role in Tajikistan peace talks, especially in the recent talks in Tehran between Tajik president and tajik opposition groups. He expressed willingness to hold talks with Iran and consult over the Tajik issue.

He said that the U.N. needed Irans' assistance in taking the peace talks forward.

Ballon also briefed Velayati on preliminary measures taken for holding the 5th round of the talks.

Velayati described the recent Tehran agreement as a serious step for restoration of peace in Tajikistan and said the best way to solve the Tajik issue is to continue the peace talks.

The Iranian foreign minister who arrived here Wednesday night added that both the Tajik Government and the oppositon seem to be determined to settle the crisis.

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Foreign Minister Meets Velayati

LD1008194195 Dushanbe Radio Tajikistan Network in Uzbek 1300 GMT 10 Aug 95

[FBIS Translated Text] We have already informed you about the arrival in Dushanbe of Dr. 'Ali Akbar Velayati, the minister of foreign affairs of the Islamic Republic of Iran, for an official visit.

This morning Dr. Velayati was received by Talbak Nazarov, the minister of foreign affairs of the Republic of Tajikistan. In the course of the friendly talks, the main topic of inter-state relations and their current state were discussed along with other issues. Both ministers focused their attention on the inter-state documents and agreements signed during the visit of the Tajik President Emomali Rakhmanov to the Islamic Republic of Iran.

Both sides emphasized that the parties should organize groups and implement the documents adopted in Tehran, which have political, economic, and cultural aspects. Similarly, in order to consolidate cooperation between Iran and Tajikistan it was mentioned that it was necessary to act with the assistance of various bodies, such as the UN, UNESCO, and other international organizations.

During his visit Velayati said that Iran had already begun its activities with a number of departments of the Tajik Government.

The leaders of the foreign political departments of Iran and Tajikistan exchanged their views on the fifth round of inter-Tajik talks.

Today, Iranian Foreign Minister Dr. Velayati visited Pendzhikent, the native land of the founder of Tajik-Persian literature [Abu Abdullo Rudaki], after which he returned to Dushanbe.

Tomorrow, Dr. Velayati will meet Tajik President Emomali Rakhmanov, Prime Minister Jamshed Karimov, and National Assembly Chairman Safarali Rajabov.

Rakhmanov Ready To Meet Opposition Leader

LD1008161595 Moscow Voice of Russia World Service in English 1500 GMT 10 Aug 95

[FBIS Transcribed Text] Tajik President Emomali Rakhmanov is ready to meet opposition leader Sayed Abdullo Nuri anywhere and anytime to sign an agreement on an indefinite cease-fire in the country and on the border with Afghanistan. Mr. Rakhmanov was speaking at today's meeting with a senior official from the Swiss Foreign Ministry, Flavio Cotti (listed as foreign minister], who had arrived in Dushanbe for a three-day official visit. The two sides expressed the hope that negotiations under the UN aegis would be resumed speedily.

Turkmenistan

Aral Sea Council To Be Based in Ashgabat

LD1008185995 Moscow INTERFAX in English 1640 GMT 10 Aug 95

[FBIS Transcribed Text] ASHGABAT, Aug 10 (INTERFAX) — The Interstate Council on the Aral Sea decided at its meeting in Ashgabat Thursday to create a secretariat — a permanent body with headquarters in the Turkmen capital.

Representatives from Turkmenistan, Kazakhstan, Uzbekistan, Kyrgyzstan, Tajikistan and several international organizations also discussed the financing of eight joint projects, including the construction of various irrigation facilities.

Various international bodies are expected to provide $31 million for these projects.

Turkmen Deputy Prime Minister Matkarim Radjapov [name as received] announced at the meeting that his country would provide 1,208 million manats (official rate for internal settlements set by the Turkmen Central Bank is 75 manats for $1) to finance preventive measures in the area of the ecological disaster.

The Turkmen government provided 256 million manats, or 2% of the republic's national income, for these purposes last year.

According to Radjapov, the money will go to improve the quality of the drinking water, for cleaning efforts at settlements near the Aral Sea and for upgrading the health care system.

Shikhmuradov on Russia Ties, Regional Issues

MM1008105695 Moscow ROSSIYSKAYA GAZETA in Russian 10 Aug 95 p 7

[Interview with Turkmen Foreign Minister Boris Shikhmuradov by Boris Filippov under the "Contacts" rubric; date, place not given: "Will There Be a New Switzerland?"]

[FBIS Translated Text] [Filippov] Boris Orazovich, foreign policy is one of the main spheres of a sovereign state's activity, called upon to protect its national interests. What is Turkmenistan's foreign policy concept, and on what principles is it formed?

[Shikhmuradov] The principles of positive neutrality lie at the heart of Turkmenistan's foreign policy, and these are already acquiring international recognition.

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Over three years ago, when the Turkmen Constitution was being adopted, and President S. Niyazov, together with his associates, was elaborating the conceptual principles of foreign policy, the principles of neutralism were taken as its foundation. On the basis of intensive study of international experience and on the basis of consideration of our own geographic, political, social, and other realities, the simple conclusion was drawn that neutrality would be the most successful model for Turkmenistan's integration in the international community. The three years that have passed since the Constitution was adopted and our own experience have confirmed that the correct path has been chosen. At the recent Islamabad summit session of the Economic Cooperation Organization [ECO], President S. Niyazov presented the world community with the idea of ensuring international guarantees for the neutrality of Turkmenistan, which is prepared to become a kind of island of peace, or, an "Asian Switzerland," as some people are already trying to call it. There has never been a state with this status in the history of Asia.

Turkmenistan theoretically has all the opportunities for this. First of all, the purely geographic position. We have proved that we do not interfere in other states' internal affairs, and we try to adhere as correctly as possible to the formula of equal closeness to everyone, I stress, equal closeness rather than equal distance. We have proved our soundness as a state with internal stability, social guarantees, and interreligious and other harmony. In addition to everything, in addition to this political list, we also have what I see as a serious argument, that is, a pretty well-developed infrastructure, which will make it possible to conduct various international forums in Ashkhabad.

[Filippov] One of the main spheres of Turkmenistan's foreign policy is its participation in the Commonwealth of Independent States. How is it possible to combine the principles of positive neutrality with participation in this organization?

[Shikhmuradov] I will put it this way: We are not only a member of the CIS, but also a member of other international organizations: the United Nations, the Organization of the Islamic Conference, the Economic Cooperation Organization, and the NATO "Partnership for Peace" program. Turkmenistan will formally obtain the status of participant in the Nonaligment Movement in October of this year. The main thing is that Turkmenistan will not participate in organizations in which membership would impose collective responsibility on it.

We are satisfied that the principle professed by Turkmenistan is being greeted with respect by Russia, the current chairman of the CIS, and we are proud that Russia is effectively developing, on a bilateral basis, a model of partnership within the CIS with us as a very promising model. Models may vary. For example, there is the Belarusian model. Our model takes into account all the basic prescribed documents of the CIS, which was planned and organized as a very flexible democratic structure.

[Filippov] Russia is Turkmenistan's strategic partner. A decision on this was ratified during President S. Niyazov's recent visit to Moscow. How do you see the prospects of Russian-Turkmen relations?

[Shikhmuradov] Our starting point is that the history of the Russians and the Turkmen, the history of mutual relations between Russia and Turkmenistan, did not begin in 1917. So it could not end with the collapse of the Soviet Union. These relations have far deeper roots.

We are opening up more and more new cases of very close cooperation between the Russians and the Turkmen. We are proud of the fact that Russian chronicles contain such good recollections about the Turkmen steppe, which Russian merchants said could be peacefully crossed. That is, the trust between our peoples is rooted in the distant past. Afanasiy Nikitin and Gerasim Lebedev crossed our deserts, and they also left good recollections.

[Filippov] In response to President B. Yeltsin's request, President S. Niyazov has agreed to let his experience and contacts be used to achieve a settlement on the Tajik-Afghan border. What is being done and what will be done in the future in this sphere?

[Shikhmuradov] This is a pretty delicate question. From the very outset Turkmenistan has not been intervening in this conflict. It is not a member of the collective peacekeeping forces. The people must be given the opportunity to reach agreement in a calm situation. All the possibilities for this are there.

I have to say that Turkmenistan and Dushanbe are connected by constant dialogue. At a recent meeting between the president and Akbarsho Iskanderov, Tajikistan's charge d'affaires in Turkmenistan, a whole complex of measures was coordinated to promote intra-Tajik reconciliation, that is, meetings between representatives of the present government of Tajikistan and the opposition are being proposed for the very near future. It may be assumed that Ashkhabad may be the location for holding such a meeting. I have had a telephone conversation with Foreign Minister A. Kozyrev, who supported the idea of holding an inter-Tajik meeting in the Turkmen capital.

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[Filippov] Turkmenistan has stated its intention to strengthen the zone of peace and stability in the Central Asian region. What in your opinion needs to be done to achieve this great aim?

[Shikhmuradov] I think that unilateral actions will of course be insufficient here. Profound cooperation both on a bilateral level and a multilateral level is needed in the region. And the region must be seen in broad terms, rather than just being measured in categories of the former Soviet Central Asia. The area surrounding Turkmenistan is an enormous territory with a population of over 300 million.

I would like to emphasize the importance of the visit made recently by President S. Niyazov to Russia, which, I think, has been a strong stabilizing factor. The Russian-Turkmen relations formulated in Moscow have become a constant which eliminates all the distorted views about Turkmenistan's intentions and its policy. Turkmenistan remains a loyal member of CIS and a faithful ally of the Russian Federation, and equally, it intends to develop its contacts with other countries, primarily its immediate neighbors.

Shikhmuradov Meets Iranian Roads Minister

LD1008191495 Tehran IRNA in English 1854 GMT 10 Aug 95

[FBIS Transcribed Text] Moscow, Aug. 10, IRNA — Foreign Minister of the Republic of Turkmenistan Boris Shikhmuradov told visiting Iranian Roads and Transportation Minister 'Ali Akbar Torkan in Ashgabat Thursday [Tuesday] that his government had identical position with Iran on important international issues.

He said it is important that both Iran and Turkmenistan cooperate with regional countries and especialy with the Russian Federation.

The Iranian minister voiced similar feelings saying that in his meeting with Turkmen President Saparmurad Niyazov Wednesday, the latter had voiced pleasure with talks on development projects undertaken by Iran in Turkmenistan.

Torkan is in Ashgabat within the context of a number of joint development projects to be effected in Turkmenistan.

On Wednesday, he inspected ongoing engineering operations for rebuilding a road linking the Turkmen capital with the Iranian border city of Bajgiran, and also a joint border market of the two neighbouring countries.

Uzbekistan

Indonesia Set To Invest $280 Million in Economy

LD1008142095 Moscow INTERFAX in English 1146 GMT 10 Aug 95

[FBIS Transcribed Text] TASHKENT, Aug 10 (FIA-INTERFAX) — As Indonesia's Ambassador to Uzbekistan Hassan Abduljalil reported in an exclusive interview with Interfax Thursday, his country is ready to invest over $280 million in the economy of that Central Asian republic within the next three years.

Abduljalil noted that in line with an agreement reached during a recent visit by Indonesian businessmen to Uzbekistan, $100 million will be invested in telecommunications, another $100 million in the textile industry, up to $50 million in the hotel business, and up to $40 million in the mining industry (mainly to mine and refine gold, uranium, silver, and oil).

The bulk of the funds, as Abduljalil reported, will be invested as shares in Uzbek-Indonesian ventures.

Besides, the ambassador stressed, Indonesia is ready to finance the development of infrastructure, primarily telecommunications and the construction of international airports.

Privatization Chief Outlines Program's Plans

LD1008123295 Tashkent PRAVDA VOSTOKA in Russian 8 Aug 95 p 2

[Unattributed article: "The Uzbek model of privatization: international recognition"]

[FBIS Translated Excerpt] Viktor Chzhen, a deputy prime minister of the Republic of Uzbekistan and chairman of the State Committee for Managing State Property and Support for Enterprise, answers questions from PRAVDA VOSTOKA:

[PRAVDA VOSTOKA] The first stage of reforms has been completed. What has been done? Is the pace at which enterprises are being removed from state control satisfactory?

[Chzhen] [passage omitted] It is too early to be content with our achievements. Too little work has been done compared with what is required. As regards the pace at which enterprises are being removed from state control, we are satisfied with that. Out of 1,796 enterprises which were due to be privatized under the program, 1,150 have gone through this process. It is noteworthy that the initiative is coming "from below". A total of 3,600 enterprises have been privatized over and above the program — this is a graphic demonstration that a work force which has expressed its will to privatize

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an enterprise and is ready to do so does not meet any obstacles on its path.

[PRAVDA VOSTOKA] What are the priority areas for the next stage of reform?

[Chzhen] [passage omitted] The first steps have been taken to change the form of ownership in the countryside. However, in order to feel the full benefit of privatization, it is necessary to have an infrastructure to take the entire harvest, however large and varied it might be. Everything that is received needs to be washed, dried, sorted, packed, stored, and sent to the consumer. We need hundreds of thousands of workers (roughly up to two million people).

The impact will be striking. Much is lost because about six million people work in agriculture. Privatization will release about two million people from agriculture. Having created the necessary infrastructure, we will employ the people who have been released and provide consumers with more output, the same yield levels, and with the same area of land under cultivation. The aim, as you can see, is clear but the work facing us is huge — and we must do it!

To meet these tasks we need funds. World experience shows that the most effective way of accumulating funds is to involve broad sectors of the population in the process of investment. If 10 million adults in the republic buy at least one 100-som share each, that will make one billion soms. You can really get down to business with capital like that. Of course, there are people today who are not able to buy a share — but there are also people who are able to buy several. It is necessary to explain to people the advantages of holding shares, compared with keeping money in a savings bank and so on, and to tell them simply and clearly about shareholders' rights. Then things will get moving. [passage omitted]

[PRAVDA VOSTOKA] A business fund to support enterprise has been set up. Representatives of small and medium-sized businesses have already received about 200 million soms. By what criteria are credits allocated?

[Chzhen] Great attention is being paid to financial support for private entrepreneurs in implementing economic reforms in Uzbekistan. Some of the funds accruing from the privatization of state property is channelled to the business fund to support private enterprise by granting preferential credits, taking a share in the implementation of projects, and granting guarantees for commercial bank credits. From April to July this year alone, the Business Fund granted credits totalling more than 195 million soms for the implementation of 168 projects by private entrepreneurs. A new edict from the president of the Republic of Uzbekistan has been approved, under which the amount of money channelled to support private enterprise and small businesses will rise considerably. The source of this money, besides returns from the sale of state property, will be the Republican Employment Promotion Fund and various amounts levied on companies and individuals.

In the selection of entrepreneurs' projects for the allocation of credits, the following criteria are taken into account: Whether the project is in line with the priority areas for development of the economy and with the needs of the individual region; economic feasibility indicators; the likelihood that the loan will be repaid; the creation of new jobs; use of new technologies; competitiveness of the output; and the existence of guarantees.

[PRAVDA VOSTOKA] What measures have been taken to stimulate private business?

[Chzhen] [passage omitted] The nonstate sector of the economy has been created and has quickly grown stronger. The sector now consists of more than 60,000 private and small enterprises, employing more then five million people. It accounts for 90 percent of agricultural output and 39 percent of construction work and generates more than one-half of our state's total national product. [passage omitted]

Achieving self-sufficiency in food and energy will free up more than $1 billion in foreign currency (because imports are paid for with convertible currency!) annually. We shall then be able to channel that money to meet the needs of social development. The emergence of structural shifts in the economy will fill our market with goods which previously were imported. It will save hard currency too. Deeper processing of cotton means the construction of new spinning, weaving and sewing facilities — and that means new jobs — it means a 10-fold and 15-fold increase in the value of cotton production, and it also means turning Uzbekistan from an exporter of raw materials into an exporter of fabrics and sewn articles made from natural cotton fiber. The formation of an infrastructure in the countryside will enable us to realize the growth potential of agricultural production, which is currently being held back by the sluggishness of the procurement system, the inadequate transportation system, the disruption of economic ties with former Soviet republics, and the loss of commodity niches in their markets.

Finally, a secondary market in securities and real estate is the main financial source of investment and represents the capital which will link everything together and set it in motion.

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The timescale for completion of the second phase is the end of 1996. It has only one aim: to provide all of us with a better life and to enable the republic to take one further step toward a great future.

Failed Attempt To Unseat Birlik Leader

954F3010A Moscow MOSKOVSKIYE NOVOSTI in Russian 9-16 Jul 95 No 47, p 8

[Sanobar Shermatova report: "Credit Softens Manners"]

[FBIS Translated Text] An attempt was made in Moscow at the start of July to replace the leader of the Birlik (Unity) opposition popular movement of Uzbekistan. The initiative for the organization of a kurultay (congress) came, as it transpired, from members of the movement's leadership Aliboy Yulyakhshiyev and Khazratkul Khudoyberdyyev, who now lives in exile in Sweden. Invitations went out to members of the Central Council both in Moscow and in Uzbekistan. For the leader of Birlik himself, Abdurakhim Pulatov, who lives in Istanbul, the convening of a kurultay had to have come as a surprise.

The question of the removal of Abdurakhim Pulatov was put to the vote, but the present leader's supporters proved to have a one-vote majority. Having started out as a kurultay, this social and political measure ended as a meeting of Birlik activists—this decision was made by the delegates. But the measure had a curious continuation. The organizers assumed all the expenses involved in the delegates' outward journey and their stay in Moscow. But return tickets were obtained only by those who voted against Pulatov—his supporters were given an opportunity to find funds for the return journey independently.

The party activity that was conducted may in itself be seen merely as an episode in the political life of Uzbekistan. But the attempted replacement of the Birlik leader occurred against the background of interesting events showing that changes are possible in the relations between the authorities of the Uzbekistan and the opposition. The sharp confrontation could be replaced by a semblance of compromise. The mediating mission here was assumed by the National Democratic Institute, which, as we know, is part of the ruling Democratic Party of the United States.

This February this institute organized in Washington a conference devoted to the political and economic situation in Uzbekistan, at which for the first time in the past several years official representatives of Tashkent and opposition leaders entered into a direct dialogue. A meeting of opposition leaders and activists with the leaders of the ministries of foreign affairs and justice of Uzbekistan, which will supposedly be held in July-August outside of Uzbekistan, in Moscow or, once again, in Washington, possibly, is to be a continuation of the conference. Some signs of liberalization are noted also by members of the opposition, who had right until recently experienced close attention to themselves on the part of the law enforcement authorities.

So to what extent is Tashkent officially ready to compromise with the opposition, whose activists live in exile? Before answering this question, we need to clarify the reasons why Tashkent is changing its approaches to the opposition. They are to be found, most likely, in the "new course" of President Islam Karimov. The foreign policy and economic priorities of Uzbekistan, which consist of an orientation toward international financial organizations and close cooperation with developed European countries, have conclusively taken shape today. International standards require Uzbekistan to demolish the evolved image of a strictly authoritarian state and to undertake a renovation, if only cosmetic, of the state facade. Tashkent is also being prompted to take these steps, by all accounts, by Washington, relations with which also have thawed somewhat.

The dialogue is to be conducted primarily with two operative opposition figures—Abdurakhim Pulatov (Birlik) and Mukhammad Salikh (the Erk—Will—Party), who currently lives in Germany. But several members of the Erk Party were accused of an attempted coup d'etat and convicted, and the criminal case against Salikh, who is accused of having organized and led the attempted coup, has been separated into special proceedings. Thus Tashkent has a formal reason for shunning, if it wishes, negotiations with the radical leader of Erk. Mukhammad Salikh himself will hardly consent to being dismissed and to granting Abdurakhim Pulatov the right to represent all of the opposition. In the opinion of Birlik members, Mukhammad Salikh, whose aim was to concentrate in his hands the leadership of the entire opposition, was behind the failed attempt to hold a kurultay and remove Pulatov. The sharply inimical relations of the two opposition leaders is a commonly known fact, which does not add to the opposition's authority but does, on the other hand, bolster the reputation of the Uzbekistan authorities.

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Armenia

Liparitan's Role in Government Examined

954F3025A Yerevan GOLOS ARMENII in Russian 5 Aug 95 p 1

[Article by Narek Mesropyan: "Why Is Liparitan Out in the Blazing Sun?"]

[FBIS Translated Text] We know little about the fact that a Security Council exists in our state and that it functions under the president. For example, we know a lot more about the Russian Security Council. Detailed information is given about each of its meetings (within the limits of what is permissible), and indeed the Council's executive secretary, O. Lobov, is not reluctant to meet with journalists. This kind of practice in our country is a pipe dream. If something does become known, it is only at the level of rumors. I had occasion to hear that this Council had categorized one average political figure (very friendly with delirium tremens) among those who appeared to represent a danger to the state. They laughed about it a little and forgot it—both the political figure and the Council.

This was several months ago. Now the situation, as can be seen from events, has changed radically. While previously it was usually the president who presented explanations about "enemies of the state," now the Security Council has taken on this generally unpleasant mission. At a meeting with foreign diplomats, for example, as stated in an official report, the text, which was in many ways clumsy, was read out by the vice president (according to the new Constitution there will be no such position in Armenia), and Zhirayr Liparityan, Security Council coordinator, answered questions. Thus the citizens of Armenia learned that the chief adviser of Levon Ter-Petrosyan not only advises but also coordinates the work of an element that is very crucial in all respects.

Zhirayr Liparityan is an obscure figure in many senses. It was said at one time that during the period he lived in America this person was a very authoritative member of the Dashnaktsutyun Party and even aspired to higher leadership; however, Liparityan left the party over disagreements and became one of its most furious opponents. (As the saying goes, the most terrifying devil is invariably a former angel.)

Invited by the new regime to help rule, Liparitan never spoke out openly against the Dashnaktsutyun, leaving this role to the president and such of his ardent followers as, for example, Yegoryan, who incidentally recently shouldered the difficult duty of pulling down another traditional party—the Ramkavars. However, one can hardly see in Liparitan's silence an aloofness from this problem, which is very important to the present authorities: It is difficult to find a more qualified adviser on ideology, considering that Vaan Papazyan was the adviser on parties on the president's staff.

The elimination of this position does not at all mean the president's staff does not occupy itself with parties: The president's first anti-Dashnak speech was proof of this. But at that time L. Ter-Petrosyan was only sending up a trial balloon: It was necessary to probe the weak spots and check out both the internal and external reaction to his position. They checked out, and then went farther. But when the decision was made to switch to decisive actions, Liparitan, after working a short time as deputy to the now Minister of Foreign Affairs Papazyan, once again came under the president's wing.

After publishing a brief and very neutral commentary at that time and attempting only in broad outlines to sketch the possible consequences of such a rearrangement of positions, I, of course, did not even suspect how it would eventually end up. It is unlikely that journalists and observers close to ruling circles did not share my fate. The secrets of the Armenian court are guarded no less carefully than those of the Madrid court. But in several interviews regarding Karabakh, Liparitan created the impression that he was working on his former problems on the president's staff.

However, it is difficult now to unequivocally confirm that this is not so and that it is Zhirayr Liparitan who is managing the destruction of the Dashnaktsutyun Party. (It is easy to explain his speech before the ambassadors, for example, by his good knowledge of English.) But there is the position of coordinator....

Of course, it is really not that interesting who specifically is developing the horrible scenarios of permanent coups d'etat, terrorism at an international level, and the drug business on no less vast scales. What is more important is the person who is providing the junk to inflame this terrible war. The cautious Liparitan has until now quite successfully hidden behind the back of his patron, has almost always remained in the shadows, and has attempted not to invite close attention to himself. What compelled him this time to begin to stand out so plainly? Moreover, at a moment when, discarding formality, the authorities almost plunged into a final battle against their main political opponent?

In all cases, putting Liparitan in the vanguard of the struggle against the Dashnaktsutyun cannot exactly be called a verified step. He was far more useful in the shadows than out in the blazing sun. Now, after all, many things will be recalled, and the question will be asked: Can a citizen of the United States be a coordinator of the Security Council of Armenia? Even

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under the conditions in which the authorities in the motherland are headed for an almost sure break with the diaspora....

....Persons especially close to the head of state, as a rule, have a few insincere friends and many sincere enemies. Liparityan, I think, is no exception. Now, after actually having taken responsibility upon himself for the entire recent anti-Dashnak campaign, I think he has given his foes more than one reason for malicious rejoicing. For most of them the fate of the Dashnaktsutyun, of course, has no significance. What is important to them is Liparityan's high post: There at the top, the stakes are not small. The game around the name and position of Liparityan is worth the candle—and a lot more.

Azerbaijan

Iranian Remarks on Israeli Relations Criticized

NC1008172695 Baku TURAN in English 1425 GMT 10 Aug 95

[FBIS Transcribed Text] Baku/10.08.95/TURAN—"It is foolish for such people as Velayati or Rafsanjani to make such recommendations to the Head of the other country," the Ambassador of Israel to Baku Yelizer Yotwat [name as received] commented on the words of the Iranian Foreign Ministry that Azerbaijan must restrict relations with Israel. As it was reported on the eve of the visit to Almaty the Iranian Foreign Minister 'Ali Akbar Velayati recommended Geydar Aliyev not to expansion the relations with Israel.

From time to time Velayati makes such recommendations, Yotwat said. He reminded the statement made by Velayati in Geneva in 1992 when the latter stated openly that there was not such a state as Azerbaijan and that Azerbaijan is part of Iran. The same year in Moscow Velayati stated that Iran had never recognised the independence of Azerbaijan.

"I think that people of Azerbaijan and your government have not forgotten those statements and will respond to the present statement accordingly," Yelizer Yotwat noted.

Responding the question if such statements can affect the relations between Azerbaijan and Israel Yotwat said that it was impossible. "It is not only relations between governments, it is also relations between the people. Nobody will be able to make Azerbaijan spoil relations with people of Israel," the Ambassador noted.

Police Detain Two Relatives of Coup Leaders

NC1008172795 Baku Azerbaycan Radio Televiziyasi Television Network in Azeri 1600 GMT 10 Aug 95

[Statement issued by the Interior Ministry Press Service on 10 August—read by announcer]

[FBIS Translated Text] Recent successful measures by Interior Ministry bodies are continuing in a bid to capture and prosecute fugitive criminals. The deputy director of the Khirdala Dairy Factory, Ilkhan Abbasov, who directly assisted in the escape of Alikram Hummetov, Rahim Gaziyev, Arif Pashayev, and Baba Nezerli from the National Security Ministry's isolation center in September 1994, and [former Defense Minister] Rahim Gaziyev's brother Rahat Gaziyev, who is unemployed, have been detained following an operation by the Baku city police yesterday.

The Interior Ministry leadership thanks the citizens who helped the police capture the wanted criminals.

Justice Ministry Refuses To Register SDPA

NC1008172895 Baku TURAN in English 1425 GMT 10 Aug 95

[FBIS Transcribed Text] Baku /10.08.95/TURAN—On the eve the Ministry of Justice refused to register the Social Democratic Party of Azerbaijan (SDPA). One of the leaders of the Party Zardusht Alizade told TURAN that the members of the Board of the Ministry of Justice refer to the fact that 40 people noted in the lists of the party refused from their signatures.

According to him, during the next check it was found that 10 names were introduced by mistake and the rest 30 people refused from their signatures as a result of the pressure by local law enforcement and executive bodies.

"We presented the lists of more than 1,000 members of our party but the Ministry of Justice refused to register us," Alizade said. He considers that the Ministry was instructed from the top. "The members of our party are attacked more frequently," Alizade said.

Earlier the press-service of the SDPA informed that the policemen had come to their houses and demanded to refuse from membership in the party.

At the beginning of the August the Ministry of Justice refused to register the Popular Front Party.

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Official on Jan-Jun Economic Performance

954F3000A Baku GUNAY in Russian 1 Aug 95 p 4

[Article by Elmira Abdullayeva: "The Economy of Azerbaijan In the First Half-Year"]

[FBIS Translated Text] Oktay Akhverdiyev, head of the Composite Directorate of Macroeconomic and Structural Policy of the Republic Ministry of Economics, comments on Azerbaijan's socioeconomic development during the first half of the current year:

"According to current information from the Azerbaijan State Committee on Statistics, the republic's gross domestic product over the six-month period came to 4.5 trillion manat, close to the predicted estimate. A trend towards reduced rate of production decline is being observed here. For example, in January of this year, the gross domestic product volume fell 28 percent, in the first quarter overall—21.5 percent, and in the first half-year—17 percent. The decline in industrial production continues to take place, but it is doing so at a far less rapid rate. Thus, we see the rate of production decline dropping from 30 percent in January to 27 percent for the current six-month period."

O. Akhverdiyev especially emphasized the fact that for the first time in recent years, agricultural production volume over the first six months of 1995 almost stabilized, and is now equal to the level observed for the same period in 1994. At the same time, he noted that the recovery seen in the production sphere is most likely due to deterioration of the flow of transport on the North Caucasus Railroad and to seasonal factors.

The poor degree of provision of industrial enterprises with raw materials, electricity, and fuel since the beginning of this year has resulted in the loss of 3 million man-days. This is equivalent to 25,000 workers not showing up for work, or production output valued at 300 billion manat not being produced.

The level of production decline in metallurgy (49.1 percent), machine building (68.4 percent), construction materials (29.1 percent), light industry (53.4 percent), and the food industry (33.4 percent) was below the average level of production decline overall in the republic, in particular in the cities of Gyandzha, Sumgayyt, Yevlakh, Sheki, and Lyankyaran.

The volume of investments in the economy continues to diminish. The volume dropped to half its level for the first half of last year, amounting in January-June 1995 to 221 billion manat from all sources of financing, of which only 30 percent constituted proceeds from the budget.

According to O. Akhverdiyev, the reduced volumes of capital investments in development of the economy that have been observed now for some eight years entail great problems for future generations, since termination of the reproduction of capital stock, against the background of its natural elimination, will bring about the "aging" of existing municipal and production assets.

The situation in the consumer market has improved somewhat. In January of this year, the reduction in retail trade turnover volume amounted to 33.5 percent, while the results for the first six-month period show a reduction of only 8 percent. In this regard, trade turnover in the second quarter increased 8 percent over first-quarter levels.

However, we cannot help but note the deteriorated situation with respect to foreign trade activity. In this sphere, administrative and illegal activities of customs and administrative organs have resulted in the artificial creation of numerous obstacles in the way of registry and implementation of export-import operations. Volume of foreign trade turnover over the first five months of 1995 decreased by 43 percent from the level observed during the same period last year, amounting to $385 million. This is quite alarming and requires decisions to be made at the very highest level.

The financial stability overall that has been observed in the republic since the beginning of the year was achieved thanks to the application of tight budgetary and monetary-credit policy.

The consumer price index rose by 161 percent over the December 1994 level during the first half of the current year, in contrast to the predicted 202 percent. This can be explained only by virtue of the extremely low purchasing capacity of the populace, whose wage indebtedness amounts to more than 137 billion manat.

Over the first five months of the current year, the revenues portion of the budget, taking currency transactions into account, amounted to 795 billion manat, while the outlays portion totalled 847 billion. The budget deficit of 52 billion manat constitutes 1.3 percent of the gross domestic product—significantly lower than the predicted level.

"Of course, there are no economic grounds for such a positive condition of the budget," O. Akhverdiyev stated. "This is the result of tight fiscal policy conducted by the republic Ministry of Finance and the National Bank, which have made quite capable use of currency reserves and have been able to stabilize the manat exchange rate. However, the problem will not be resolved through maneuvering and delayed payment of wages alone. Until the production sphere of the

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economy begins to operate to the extent of at least 70-80 percent of its capacities, financial stability will be threatened by disruption, for the petroleum bonus and external financial assistance are not unlimited."

Enterprise nonpayments remain an almost unsolvable problem. As of June 1995, the accounts receivable of enterprises and organizations amounted to 3.6 trillion manat, or more than one-third of the gross domestic product, while accounts payable amounted to 4.1 trillion manat.

"I would dare to assert," O. Akhverdiyev states, "that this problem will not be solved through use of the reciprocal settlement method, since the indebtedness volumes exceed by a factor of seven or eight the boundary (500-600 billion manat) beyond which this traditional method might yield positive results. Under the condition that 90 percent of the enterprises comprise state enterprises, a way out of the situation might be declaration of a moratorium for a period of one year on indebtedness related to production activity. At the same time, this measure does not envisage writing off the debts, only postponing them. This gives enterprises the chance to start from scratch. Those enterprises capable of tightening their financial and economic policies and procuring the necessary resources will be able to continue their existence, while the others will have to declare bankruptcy."

Measures undertaken in the area of social protection of the populace did not yield the desired results, and the standard of living continued to decline over the current six-month period. In June the average wage throughout the republic amounted to 58,500 manat, a 4.8-fold increase over the level of June 1994, while the consumer price index rose by a factor of seven. The average wage is just 23 percent of the minimum consumer budget. According to a classification of the republic population by income compiled by the State Committee for Statistics, 98 percent of Azerbaijan's citizens are presently living beyond the poverty line. Visual observation provides no basis for believing that virtually the entire republic population is impoverished, however. A very large volume of unregistered income is missed here (hired labor, street trade, sale of personal belongings, and other varieties of hidden income). Nonetheless, according to an expert assessment, at least 55 percent of the republic populace, including pensioners, students, invalids, single mothers, and employees of budget-financed organizations, today find themselves in an extremely difficult financial state.

Without any doubt, O. Akhverdiyev believes, wage increases alone, without radical measures to rehabilitate the economy, will be incapable of improving the well-being of the populace. The main objective is to conduct measures that will ensure growth of the purchasing power of the manat.

Georgia

Abkhazia's Response To Resuming Negotiations Awaited

LD1008193295 Moscow INTERFAX in English 1640 GMT 10 Aug 95

[FBIS Transcribed Text] MOSCOW, Aug 10 (INTERFAX) — Moscow proceeds from the fact that the delay in the process to settle the Georgian-Abkhazian conflict causes much suffering among the civilian population and great economic losses, Russian Foreign Ministry spokesman Mikhail Demurin told a Thursday [10 August] briefing in Moscow.

According to him, this fact has prompted Russian diplomats to appeal to both sides to resume negotiations as soon as possible.

Demurin said that the Georgian side had "reacted enthusiastically" to the Russian initiative.

"Now Moscow is waiting for the response of the Abkhazian leadership," said the diplomat.

The negotiations between Georgia and Abkhazia were not interrupted, said Demurin. "Abkhazia only took a time-out," he said.

Opposition Leader: National Congress Will Unite Nation

LD1008125395 Tbilisi IPRINDA in Russian 1057 GMT 10 Aug 95

[FBIS Translated Text] Tbilisi, 10 Aug (IPRINDA) — Deputy Irakli Tsereteli, leader of the opposition National Independence Party of Georgia, gave a news conference in Tbilisi today.

He told journalists that preparation are under way for the National Congress of Georgia and that 30 deputies, famous representatives of the intelligentsia, and the leaders of almost all the parties and sociopolitical trends of Georgia will participate in the congress.

In Tsereteli's words, the congress does not envision establishing an alternative government. The main aim of the congress is to support the upcoming elections and to unite the nation.

In Tsereteli's opinion, Shevardnadze is a negative phenomenon for Georgia. As for the three years of his office, all conceivable and inconceivable disasters have struck the country. The upcoming congress, Tsereteli stressed, must help Georgia out of the crisis.

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Commenting on the National Independence Party of Georgia, Tsereteli noted that in the upcoming elections the party will participate in a single bloc with six other parties. The aim of the National Independence Party is to drive the Russian occupation troops out of Georgia, to lead the country from the sphere of Russia's military and political influence, and to leave the CIS.

Irakli Tsereteli also expressed the view that Abkhazia must be declared a territory occupied by Russia, Abkhazia must be retrieved by force and it is only by force that constitutional order will be established in the autonomous republic and that there is no other way.

Irakli Tsereteli said that his party is against coups d'etat. If a coup takes place, he went on, it will be a subversive act emanating from Shevardnadze.

Talking about the draft of a new constitution, Tsereteli said that if the draft submitted by Shevardnadze is adopted, his party will call on people not to vote for Shevardnadze.

Health Minister Announces 'New Model' Medical Service

LD1008153595 Moscow INTERFAX in English 1437 GMT 10 Aug 95

[FBIS Transcribed Text] Tbilisi, Aug 10 (INTERFAX) — Georgia launched a paid medical service Thursday [10 August].

As Health Minister Avtangil Jorbenadze told journalists in this connection, at first the state will take upon itself "firm commitments to ensure free medical aid to the needy sections of the population." Special hospitals, where no money will be charged to patients, will be opened in Tbilisi and in other big cities. In addition, free medical aid will be guaranteed to pregnant women, infants under one and war veterans.

"The new model of health service will be the start of reforming it," Jorbenadze pointed out.

In the meantime, as spokesmen for a clinic in Tbilisi told Interfax Thursday, the simplest surgery designed to remove the appendix will cost $150, and heart surgery up to $5,000.

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Estonia

Peacekeepers in Croatia May Be Relocated

WS1008114995 Tallinn ETA in English 0636 GMT 10 Aug 95

[From POSTIMEES, 10 Aug, p 2; "News Bulletin" No. 157]

[FBIS Transcribed Text] The Estonian peacekeepers serving in Croatia can be relocated to other areas or have their mission reviewed, since the conflict has ended in their zone, Defence Ministry advisor Einar Rull said. He added that the Estonian platoon can be stationed in another area, where the UN troops are more urgently needed, for example, the Muslim enclaves in Bosnia. Other options include observation duties in the rear of the Croatian forces. The ESTPLA-1 is serving its last weeks in Croatia. Their relief platoon will arrive in the end of August, one week later than planned.

Norwegian Defense Minister Discusses Assistance

LD1008174095 Tallinn Estonian Television Network in Estonian 1545 GMT 10 Aug 95

[FBIS Translated Excerpt] Norwegian Defense Minister Joergen Kosmo arrived in Estonia today. In a brief news conference that took place at Tallinn airport after the reception ceremony, the Norwegian defense minister said that the aim of his visit was to familiarize himself with the state of Estonian Defense Forces and to sign a cooperation agreement.

Joergen Kosmo and the persons accompanying him met Captain Roland Leit of the Navy and Tarmo Kouts, the head of the Border Guard Department. On board the Sulev patrol boat they discussed Norway's possible assistance in the development of Estonian naval forces, naval officer training, and the marrying of the basis of logistics with NATO standards. [passage omitted]

Meri Addresses Finno-Urgic Congress in Finland

WS1108120195 Tallinn BNS in English 0905 GMT 11 Aug 95

[FBIS Transcribed Text] Tallinn, Aug 11, BNS — Estonian President Lennart Meri is taking part in the Finno-Ugric Congress in Jyvaskyla, Finland. The main theme of the congress is the status of Uralic languages and cultures in new historical circumstances.

In his address to the congress, the president recalled his experience in film shooting in the settlement areas of small Finno-Ugric peoples, pointing out that although the then political world had shattered, indigenous peoples' identity problems were far from gone.

The president underlined in his address that the present social expectations of the Finno-Ugric peoples in the Russian Federation were comparable to those of Estonians, Finns and Hungarians at the time of their national movements, and they were counting on their sister nations' support.

Meri also launched an appeal to set up Finno-Ugric cultural centers in Russia, in order to assist in reviving the circulation of post-Russification culture where it was still possible.

Meri is scheduled to have a number of meetings with scholars and Finnish public figures during the congress, it was reported by the press service of the Finnish President's office.

Over 800 scholars are attending the Finno-Ugric congress in Finland.

Transfer of Russian Military Sites in Paldiski Begins

WS1108053795 Tallinn BNS in English 1649 GMT 10 Aug 95

[FBIS Transcribed Text] Tallinn, Aug 10, BNS — Mass conveyance of former Russian military sites to the Estonian side has begun in Paldiski.

The conveyance of most sites must be completed by Sept. 18, Juri Tikk, special representative of the Estonian government in Paldiski, told BNS. He said the final act of conveyance of the sites would presumably be signed at the end of September.

"Everything is going according to plans and at the end of September Paldiski will be an Estonian town legally as well as in actual fact," Juri Tikk said in an interview to BNS.

Thursday morning an Estonian Defense Ministry committee took over a former Russian naval forces hospital. During the next month representatives of the Russian navy are to convey to Estonian authorities 36 further buildings and sites. In Tikk's words the company or companies to guard the buildings and sites conveyed would be selected in a competition in which all major security firms in Estonia would be invited to take part.

The Russian representative in Paldiski Adm. Aleksandr Olkhovikov submitted the timetable for the conveyance of sites still controlled by Russia to an Estonian government representative on May 22.

On the basis of an agreement concluded last July the Paldiski nuclear site must be handed over to Estonia by Sept. 30. By the end of September Russia must seal one of the reactor bodies into a concrete sarcophagus and take all the technical installations and equipment it needs out of the country without any hindrance by the Estonian side.

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Juri Tikk told BNS the Russians were certain to take away their satellite ground link and weapons which according to the agreement were used by the Russian specialists engaged in the dismantling of the Paldiski nuclear site.

Border Areas Concerned by Russian Pressure

LD1008164295 Tallinn Radio Tallinn Network in Estonian 1400 GMT 10 Aug 95

[FBIS Translated Excerpt] Estonian Minister of Internal Affairs Edgar Savisaar today met the representatives of the Council of Elders of the Setu Congress [organization representing interests of the ethnic group of Setu, which lives in Petserimaa, the area on both sides of the Estonia's disputed southeastern border with Russia]. [passage omitted]

The meeting was concerned about the lack of success in resolving the problems of Petserimaa.

Juri Vaidla, the head of the Council of Elders of the Setu Congress, which was set up on 9 October 1993, said the main problem was that the movement of people was restricted and complicated. According to Vaidla, there was an impression that Russia was intending to militarize the area beyond the control-line [border]. To do this, Russia is squeezing out citizens of the area of the Republic of Estonia, not only Setu and other nationalities but also Russian civilians.

Vaidla also pointed out the attempts by the Russian state to set up an autonomous region in the area. This could cause, among other things, that the same principle will be implemented in the east Virumaa district [mainly Russian-speaking area in northeastern Estonia]. [passage omitted]

The meeting also discussed possibilities for expanding the transmission area of Estonian Radio and local radio stations in order to counterbalance the impact of the Russian mass media in the area. [passage omitted]

Polish Police To Help Investigate Bus Robbery

WS1008114795 Tallinn BNS in English 1609 GMT 9 Aug 95

[FBIS Transcribed Text] Tallinn, Aug 9, BNS — The Polish police is planning to send soon investigators to Estonia to clear up the circumstances of the robberies of Estonian buses in Poland.

The police leaders will contact Estonian police in the next few days to plan future joint activity. They are also considering asking Interpol to join the hunt for highway bandits, Estonian charge d'affaires in Poland Riho Laanemae was told Wednesday [9 August] at a meeting with Polish Deputy Interior Minister Henryk Jasik, police deputy director Edward Pietkiewicz, and interior minister's adviser Stanislaw Ignaciuk.

Polish authorities have several hypotheses about the latest bus robbery on Sunday, the Estonian Embassy in Warsaw told BNS. To avoid further attacks on buses and facilitate investigation of previous robberies, direct contacts between the two countries' police should be established.

The meeting between the Estonian diplomat and Polish officials was prompted by the holdup of the Tallinn-based Mootorreisid (Motor Travel) company's passenger coach Sunday near the town of Wyszkow about 50 kilometers from Warsaw. Robbers posing as Polish police made off with about 11,000 U.S. dollars in cash and valuables.

An almost identical incident occurred July 28. The uniform-clad bandits, using a car with a police-style flasher on its roof, escaped with a haul of about 28,000 dollars.

Highway robberies have become alarmingly frequent in Poland this year, with bandits targeting travelers from different countries. Among the victims of the 26 attacks registered since the beginning of the year are three Estonian buses.

The Polish police said no Estonian buses were robbed in this country last year.

Lithuania

News Conference on Norwegian Military Pact

WS0908141295 Tallinn BNS in English 1152 GMT 9 Aug 95

[FBIS Transcribed Text] Vilnius, Aug 9, BNS — By developing formal bilateral contacts with NATO countries, Lithuania approaches the alliance itself, says Defense Minister Linas Linkevicius.

On Tuesday [8 August], Linkevicius and Norwegian Defense Minister Jorgen Kosmo signed a bilateral military cooperation agreement, which is already the sixth such accord between Lithuania and a NATO country.

The agreement, which was signed during Kosmo's one-day visit to Lithuania, covers such things as defense procurement policy, peacekeeping and different assistance programs.

At a joint press conference with the Norwegian minister, Linkevicius called the agreement an "outline of long-term cooperation."

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Linkevicius said he hoped that similar accords would be signed with other NATO countries "until we finally enter the alliance."

Kosmo said Norway saw its agreement with Lithuania as a means of ensuring a safe future for the Baltic region and enhancing security throughout Europe.

The Norwegian minister stressed that bilateral military contacts between the Baltic countries and NATO members must not be regarded as a challenge to Russia.

Linkevicius said Lithuania's agreement with Norway demonstrated that cooperation with NATO countries is possible without getting into conflict with Russia.

In Vilnius, Kosmo also met with Prime Minister Adolfas Slezevicius, Foreign Minister Povilas Gylys, Lithuanian army leadership, parliament Vice Chairman Aloyzas and members of the parliament's National Security and Foreign Affairs committees.

Officials Meet With Danish Labor Minister

WS1008115095 Vilnius ELTA in English
1727 GMT 9 Aug 95

[From "News Bulletin" No. 817]

[FBIS Transcribed Text] Vilnius, August 9, ELTA — The Danish delegation headed by the country's Labour Minister Jytte Andersen arrived in Lithuanian on a three-day working visit on Wednesday [9 August].

Minister Jytte Andersen met with the Lithuanian Social Security and Labour Minister Mindaugas Mikaila and heads of other social institutions.

The situation in the Lithuanian labour market and functioning of its separate structures as well as trends of further co-operation have been discussed during the meeting.

The guests were mostly interested in issues concerning residents' employment, retraining and work safety.

According to Minister Mindaugas Mikaila, the Danish Labour Ministry is the main Lithuania's partner assisting in development and improvement of structures of the labour market, solving unemployment problems of the country. The co-operation between the Danish and Lithuanian Labour Ministries has been lasting for four years.

The experience in the spheres of precaution measures against the potentially unemployed and co-operation with social partners is of great importance for Lithuania.

Currently, the programme of employment of country's residents is under preparation with the help of the Danish.

On Thursday the Danish delegation will visit the Kaunas Labour Exchange, labour inspectors' office and the adults' consultancy service.

The delegation is also to visit the Alytus labour center.

On August 11 the Damish Labour Ministry's delegation will have meeting with the Lithuanian tripartite board consisting of representatives of the Government, employers and trade unions. The meeting will take place in the Lithuanian Industry and Trade Ministry.

U.S. Safety Study on Nuclear Plant Rejected

WS1108083595 Tallinn BNS in English
1710 GMT 10 Aug 95

[FBIS Transcribed Text] Vilnius, Aug 10, BNS — The American Department of Energy apologized to the Lithuanian government for a recent report on security conditions at the Ignalina atomic power plant in Eastern Lithuania. This material does not represent the official position of the department with respect to the Ignalina atomic power plant.

The Swedish director of an international project on atomic security, Jan Nistad, who spent several years working in Lithuania, received a letter of apology from the U.S. Department of Energy recently for its report "Most Dangerous Reactors." This report, based on data from 1993, described Ignalina as one of the world's most dangerous reactors which should be shut down.

At a press conference in Vilnius on Wednesday, directors of Lithuania's atomic energy program and Nistad himself asserted that the report's conclusions are outdated and do not reflect the current security standards. There is no reason to shut down the plant now, they said.

The only difference between Ignalina's reactors and those used in the West currently is that Ignalina's reactors have no protective shells which would contain radioactive pollution in the case of an accident, according to Lithuanian and Swedish experts.

Nistad also stated that the Ignalina plant has been allotted more funds to improve safety standards than any other comparable reactor. The Swedish government spends 10 million dollars annually to maintain the plant's security, and the European Bank for Reconstruction and Development has allotted a total of 30 million ECU for this purpose.

Member of the Academy of Science and Director of Lithuania's Energy Institute, Jurgis Vilemas, also said that it was possible that this report was instigated by some group for commercial or political reasons. On

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the other hand, the report might be unintentionally beneficial to Lithuania.

"The constant concern with the security of this atomic power plant allows us to receive supplementary funds to improve the safety standards," he said.

Premier Confident in Stability of Currency

WS1108083695 Tallinn BNS in English
1706 GMT 10 Aug 95

[FBIS Transcribed Text] Vilnius, Aug 10, BNS — The U.S. dollar-pegged Lithuanian currency unit, the litas, will remain stable for a very long time, thanks to a "more than sufficient" reserve of gold and hard currency, Prime Minister Adolfas Slezevicius said on Thursday [10 August].

The supply of U.S. dollars in the central Bank of Lithuania exceeded the amount necessary to cover all of the lits in circulation by 130 million dollars, Slezevicius told a news conference.

He said the Lithuanian hard currency supply increased by 36 million dollars in July and by an additional 5 million dollars in the first nine days of August.

Along with the 16 million dollar currency stabilization loan received from the International Monetary Fund, the value of gold and hard currency supplies approached 700 million dollars.

Lithuanian supplies estimated per capita had already exceeded those of Poland, the premier asserted.

Slezevicius said international loans were currently being provided to Lithuania at rates lower than those received by the Bank of Lithuania for its deposits in Western banks.

"It is the great merit of the Bank of Lithuania which shows high efficiency in managing its reserves, and this is recognized by all international experts", Slezevicius said.

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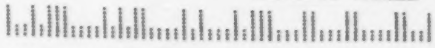

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